Daily Report

Central Eurasia

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FBIS-SOV-95-057 *24 March 1995*

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ITAR-TASS Carries Press Review for 24 Mar

LD2403070095 Moscow ITAR-TASS in English 0646 GMT 24 Mar 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow March 24 TASS—Russian newspapers continue to draw attention to developments in the Crimea.

ROSSIYSKIYE VESTI carries an interview with Russia's State Duma Chairman Ivan Rybkin. Speaking about a resolution passed by the Duma reaffirming that the destiny of the peninsula still remains within the sphere of Russia's strategic interests, Rybkin confirmed that the problem of the Crimea is nevertheless Ukraine's affair.

At the same time the Russian parliament speaker expressed an opinion that the determination of the peninsula's status cannot do without a referendum in the Crimea. Only Crimean residents may decide whether they want to live in an autonomous region, a republic or even a state which would be simultaneously part of Ukraine and Russia, Rybkin said.

TRUD runs an interview with President Vladimir Kuchma of Ukraine who reaffirmed that Ukraine does not intend to encroach on the Crimea's autonomy. He said there is no need to apply any violent methods to resolve Crimea-related issues.

Kuchma recalled that none of legitimate power bodies in the Crimea officially dispute the peninsula's belonging to Ukraine. Therefore, the president concludes, there is supremacy of Ukrainian law in situations arising in the region.

In an estimate of the current state of Russo-Ukrainian relations, Kuchma said "there is little ground so far for particular joy". In this connection he said the forthcoming signing of a bilateral treaty will become one of instruments which will make it possible to open up a new stage of cooperation between Russia and Ukraine. The president of Ukraine expressed the conviction that Russia has been, is and will be the main strategic partner for his country.

NEZAVISIMAYA GAZETA carries a leading article about the Aum Shinrikyo (Sublime Truth) sect which is suspected of being involved in the nerve gas attack on the Tokyo subway.

The newspaper draws a conclusion that the organisers of the chemical attack in Tokyo had extensive connections in Russia. NEZAVISIMAYA GAZETA points out that way back in March 1992 Shoko Asahara, founder of the sect, met in Moscow with the then Soviet parliament speaker Ruslan Khasbulatov who hailed the "lofty mission" of the Japanese sectarian.

Accordidng to the newspaper, Asahara had meetings with influential figures in the presidential administration and the sect maintained contacts with "Russo-Japanese university". Those connections, the newspaper believes, enabled the sect to gain access to both the radio and Moscow television where until recently the cultists had their own programme on one of the channels.

TRUD writes about the "Russian connection" of the Aum Shinrikyo sect.

The newspaper points out that the chemical arms production factory found at Kamikuishiki and belonging to the sect was fitted out with elaborate equipment and technologies.

Considering the interest which Asahara himself had shown in Russia, it is not ruled out that the sect obtained the equipment precisely there, many Japanese sources maintain.

TRUD carries in article by an ITAR-TASS news analyst who points out that Shoko Asahara's address was broadcast to Japan from Russia on the night from Wednesday to Thursday. The sect leader urged his followers "to get ready for death without repentance". In one of his recent sermons, Asahara said approximately the same and this shocked Japanese radio audiences.

IZVESTIA predicts a transportation paralysis for the capital of Russia if this year's contemplated financing of the construction and operation costs of the Moscow subway would really account for 40 percent of the minimally necessary sum.

The newspaper reports that the subway spent 700,000 million roubles on the transportation of passengers last year. Out of the amount, 40 percent was recovered resultant of the sale of counters and tickets and 14 percent resultant of commercial activities. The rest was covered by the municipal treasury.

A half of all passengbers of Moscow subway are citizens who are entitled to the Russian legislation-determined right of free passage, IZVESTIA reports.

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Clinton Visit To Support Yeltsin; NATO, Chechnya on Agenda

MK2203091895 Moscow NEZAVISIMAYA GAZETA in Russian 22 Mar 95 p 2

[Report by Mikhail Karpov under the "Russian Federation- U.S.A." rubric: "A Signal From Overseas. Clinton Is To Visit Moscow—Hence, He Supports Yeltsin"]

[FBIS Translated Text] The game popularly known as "tug-of-war," which has been played by Moscow and Washington a bit too long, has finally finished, to Moscow's obvious satisfaction. It would be wrong to presume that the continuing war in Chechnya is the only argument of those who are against Clinton's participation in the festivities in the Russian capital. He has certainly been advised that American veterans would not forgive him his absence from Washington at the moment the country pays homage to them for their victory. And Clinton—being mindful of some of his own biographical facts—has traditionally treated this cohort of U.S. citizens with particular piety. Therefore, it was announced that on 8 May, before going to Moscow, he will take part in the ceremonial commemoration at Arlington cemetery.

The U.S. President, without doubt, must have been warned that his refusal to participate in celebrations held in Paris and London would be linked by his opponents, in the former case, with the recent espionage scandal; in the latter, with the visit of Gerry Adams, the Sinn Fein leader, to the United States. Both reasons provide sufficient grounds to claim that U.S. relations with France and Great Britain have become somewhat tense.

And, nonetheless, Clinton is going to Moscow. In so doing, he gives Yeltsin an unambiguous signal that Yeltsin's assurance of his adherence to a political solution of the Chechen conflict is not to be questioned. At the same time, it means that the United States continues to regard him as the main guarantor for the development of democracy in Russia. Other leaders of the Western world—who have still been in indecision about their participation in the Moscow festivities—seem to have been shown a well-known sign: "Follow me!"

What Clinton intends to achieve by this move, in addition to the termination of the war in Chechnya, is quite transparent—to persuade Yeltsin that the eastward NATO expansion does not mean a threat to Russia, and that preparations for the SALT III [as published] treaty need to be started. He also intends to advise the Russian president that the West is expecting that his promise to hold elections at the designated time—both parliamentary and presidential—be fulfilled. Only this will give Clinton the trump cards when it comes to validating the correctness of his stance with respect to Yeltsin.

The signal from overseas allows to predict with a fair degree of certainty that, by the beginning of May, Russia will try to resolve the conflict in Chechnya peacefully in a way that would be definitive—rather than declarative, as it has been the case many times. As for the United States, it will try to make the process of the adoption of new members to NATO not unduly speedy. The talks between Andrey Kozyrev and Warren Christopher in Geneva, which are starting today, must further clarify the situation with respect to Clinton's visit.

Poll Prospects Impact of Clinton-Yeltsin Meeting

MM2303150795 Moscow IZVESTIYA in Russian 23 Mar 95 p 3

[Report by Vladimir Nadein: "Both Clinton and Yeltsin Need May Meeting for Victory at Elections"]

[FBIS Translated Text] Washington—The wave of criticism that befell U.S. President B. Clinton could not have come as a surprise to him. He knew how many people were opposed to his May visit to Moscow. Congressmen wrote him letters in groups and individually, warning him of the bad consequences. Presidential candidates from the Republican Party, of which there are about a dozen by now, have not missed the opportunity to accuse the administration of indulging Russian President B. Yeltsin.

It is only in the past few days that it has become clear that the Moscow visit will take place. Before that there was a time of uncertainty. Two weeks ago, when Secretary of State W. Christopher announced (as related by Italian diplomats) that the West should look for an alternative to Yeltsin, prospects for the trip seemed particularly gloomy. Then a light appeared at the end of the tunnel, but even optimists did not expect what happened Monday.

Without waiting for the stipulated exchange of letters on problems of cooperation between NATO and Russia, and without knowing the results of the very important meeting between Christopher and [Russian Federation Foreign Minister] Kozyrev Wednesday/Thursday, Bill Clinton placed his bet in the deciding game.

Jesse Helms called the President's decision "the latest in a series of foreign policy acts which were brought about by bad advice, but which will be viewed as a demonstration of unreserved support for the Russian Government." Helms—a bilious and hard-line critic of the President, who has headed the influential Senate Foreign Affairs Committee since the beginning of this year—is both right and wrong at the same time.

He was clearly wrong in claiming that the driving force behind the decision taken was not the President himself but one of his advisers. (However, as usual there is a transparent allusion here to Strobe Talbott, chief coordinator of post-Soviet policy and old personal friend of the president. Talbott has maintained good relations with many Muscovites since his time here as a correspondent for TIME magazine, which fact generates reproaches and suspicions from conservatives.)

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However, you cannot disagree with Jesse Helms in that the trip to Moscow cannot be viewed as anything other than support for the Russian Government. Or, to be more precise, for Boris Yeltsin personally.

The Russian president made symbolic concessions when he agreed not to stage a parade involving modern combat hardware—maybe the same hardware that was used in the Chechen operation. For the U.S. President, the simple fact of participating in such a demonstration would have been tantamount to political suicide. However, saluting museum weapons symbolizing the victory over Hitlerism is by no means in conflict with the tasks of the election campaign.

All the indications are that there will be two such campaigns in the coming year. Both presidents are examining all their steps in the light of electoral prospects. If you assume that Russia manages to attain—no, maybe not 1 percent but maybe somewhere in the region of 5 percent inflation.... If the elections of parliament and president are held within the constitutional deadline.... And if the Russians give their votes to none other than Boris Yeltsin again—all that will be a firm foundation for a foreign policy program which even Bill Clinton will not be afraid to submit to his electorate. And then the administration's Russian policy, which for so long had no serious alternatives, will once again acquire the usual bipartisan characteristics.

THE NEW YORK TIMES published an editorial on the eve of the announcement of the President's decision in which it called on the president not to postpone his visit to Moscow under any circumstances. Emphasizing the special importance of Victory Day for the Russians, the newspaper thereupon drew a fairly unexpected parallel with the Moscow visit of then U.S. President Ronald Reagan. "When he goes to Moscow Mr. Clinton should take an example from the visit of Ronald Reagan, when Mr. Reagan had dealings with the Soviet leadership, although at that same time he used to dine with dissidents and used any opportunity to talk of democracy," the newspaper recalls, and immediately gives the following instructions: "When he is in Moscow Mr. Clinton must meet with the reformers who have broken with Mr. Yeltsin, making it clear that he does not support Mr. Yeltsin's slide into authoritarian rule."

But THE NEW YORK TIMES's instructions to the President do not stop there. "He should remind the Russian Army about its duty to protect democratic principles and take with him General John Shalikashvili, chairman of the Joint Chiefs of Staff, to talk about military reform. Mr. Clinton must insistently speak to Russian politicians and businessmen about speeding up the transition to a market economy. All this should make it perfectly clear that Mr. Clinton is not in Moscow to approve of Mr. Yeltsin but to reaffirm U.S. support for the reforms."

The U.S. President will most likely not follow this advice: 1995 does not much resemble 1988. The position of Boris Yeltsin, whose first presidential term is not in any doubt, only vaguely recalls the position of then party General Secretary Mikhail Gorbachev. Russia does not need John Shalikashvili's instructions to conduct military reform, since the obstacles here are not connected with a shortage of information. Finally, the movement toward a market economy has reached such a stage of complexity that any encouragement from a one-day guest is superfluous even if that guest is the U.S. President.

But there is a sphere which is important to both sides. Having made important concessions concerning the expansion of NATO and the proceudre for the memorial parade on Red Square, Yeltsin has shown Clinton how important this visit is to him at this time.

Clinton will pick up this motif. He will say that he has been a friend, but that he is expecting friendship in return. On the eve of election the interests of the two leaders coincide in many respects. The American is not much less interested in the success of market reforms in Russia than the Russian. For him a peaceful outcome in Chechnya is an important argument in the growing preelection argument. The list of coincidences is a long one.

However, certain differences are liable to result in discord. This primarily means the Iranian nuclear deal. As two years ago with the sale of rockets to India, the United States will make no concessions. Just as in the past, they will think: How can Russia be rewarded for easing its stance. They will support the proposals of their Moscow partners as regards sweetening the pill. But Russia will not remain America's friend if Tehran's Islamic regime receives Russian reactors.

Clinton will spare no effort in Moscow in order to obtain everything while remaining friends. But he may also turn into a foe in order to remain President. The limits of both the one and the other will be manifest only in Moscow.

Kozyrev Seen Misreading U.S. on Russian Role in G-7

MK2403101095 Moscow KOMMERSANT-DAILY in Russian 24 Mar 95 p 4

[Report by Andrey Smirnov, Georgiy Bovt: "Kozyrev and Christopher Draw the 'Eight' Differently"]

[FBIS Translated Text] Yesterday, heads of the Russian and U.S. foreign policy departments held a second round of negotiations in Geneva devoted to preparations for a meeting by the two countries' presidents. Bill Clinton's decision to arrive in Moscow 9 May for the celebration of the 50th V-Day anniversary apparently confirms the words by Andrey Kozyrev, who said shortly before the start of his negotiations with Warren Christopher that there are "no insurmountable obstacles" between Russia and the United States. The course of negotiations in Geneva, however, casts some doubt over this.

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The so far insurmountable problems include the long discussion around plans for NATO expansion. As the secretary of state noted in an interview with ITAR-TASS, he intends to give special attention to this question in Geneva. Recently NATO (on Washington's initiative) has been seeing a way out of the situation in concluding a special security agreement with Moscow which should remove the latter's objections over the alliance's expansion to the east. But officially no such offer has been made to Moscow yet. The great importance attached to this problem in the United States is also confirmed by the fact that together with Christopher, some highly placed Pentagon officials (in particular a deputy defense secretary) and the head of the Joint Chiefs of Staff have arrived in Geneva.

Meanwhile attempts are being made to affect Boris Yeltsin directly. On 22 March, a White House spokesman announced: Clinton has sent him a letter on the subject of NATO. Today in Brussels, the NATO Council will meet for a special session devoted exclusively to the results of the Geneva meeting between the U.S. secretary of state and the head of the Russian Ministry of Foreign Affairs. So far, Russia's position is invariable. As for proposals to conclude a special security treaty, a few days ago Kozyrev expressed a negative attitude over the fact that "this proposal has been prepared without consultations with Moscow."

The U.S. Administration is also concerned about security in the Middle East. And again it links its concern with Russia, which is stubbornly refusing to abandon a contract for the delivery of nuclear reactors to Iran, which is estimated at $800 million to $1 billion. Following the talks in Geneva, Kozyrev observed diplomatically: Neither the problem itself nor the U.S. objections to the deal became a "stumbling block" at the negotiations.

The wording is perhaps too diplomatic: Clearly, there is no "understanding" on the part of the United States while Washington intends to bring this subject to the pending Yeltsin-Clinton summit. The head of the Russian Ministry of Foreign Affairs explains: Iran is part to the Nuclear Nonproliferation Treaty, its nuclear installations are under IAEA control, and "there is no problem here." Yet there is a problem for the United States: It regards Tehran as a "sponsor of international terrorism," a developer of a secret nuclear military program, and generally as a highly suspect regime from the point of view of its interests. Hence the conclusion: Russia's deal with Iran will complicate its relations with the West.

The situation in Russia itself—in Chechnya—is fraught with no lesser complications for it. In Geneva, for the first time since the Chechen war began, the United States (through Christopher) stated its intention to "punish" Moscow. The punitive method selected is rather subtle: It was decided to play on Russia's aspiration to accede to the "Group of Seven." In recent years, the process of integration in it has been growing (although slowly). At last year's G-7 summit in Naples, Russia effectively participated in its political part. In Naples, it was also decided in 1995 to move farther: toward an "eight."

Now, however, it seems that the whole process can be reserved [as received]—and rather sharply, too. Before the start of the negotiations with Christopher, Kozyrev announced that Russia's participation in the G-7 meeting, set for 7 June in Halifax, Canada, will be one of the central subjects of the discussion. At the end of the first round of negotiations, an anonymous representative of the U.S. delegation leaked the fact that in a conversation with his colleague Kozyrev indeed stated Moscow's wish to play "an expanding role" in the upcoming summit, and thoroughly stressed the idea that the Chechen campaign must not affect it in any way. According to Kozyrev himself, in Halifax, Russia's role in G-7 activity should be "incremented" in the shape of the right to vote in deciding not only on political, but also economic matters. But the response to this from Christopher—who is always super-cautious in his expressions—at a joint lunch with Kozyrev, was sensational in its categoric nature (as revealed by a an anonymous U.S. diplomat): The development of the "seven" into an "eight" as well as "the expansion of Russia's role is hardly possible owing to the events in Chechnya." Translated from diplomatese, this means a refusal. At the same time, Kozyev told journalists in Geneva—and in the same language, too—something quite different: Apparently it is "not his impression that the Chechen crisis will in any way affect relations with the G-7." Signs are that such obvious contradictions in treating this highly delicate subject will have to be resolved by the two presidents themselves immediately after the festivities on Poklonnaya Hill.

Moscow Urged To Accept NATO Expansion at Price

MK2403104095 Moscow SEGODNYA in Russian 24 Mar 95 p 3

[Report by Yuriy Davydov of United States and Canada Institute under the "Compromise" rubric: "Russia May 'Sell' Its Agreement to NATO's Expansion and Get Down to Its Domestic Agenda, While Maintaining Its Dignity in International Affairs"]

[FBIS Translated Text] After a short pause caused by the war in Chechnya, this question is returning to the agenda of Russian-Western relations. Andrey Kozyrev and Warren Christopher, chiefs of the Russian and U.S. foreign policy departments, have just discussed in Geneva the problem of NATO expansion. When Bill Clinton arrives in Moscow for the May holiday, he will try, together with Yeltsin (and, possibly, other European leaders), to find a solution to this question. On the whole, the Western stance remains unchanged, although some new nuances have emerged in it: President Clinton has reaffirmed that the admission of Central and East European (CEE) countries to NATO is "inevitable," but during this process it is important to determine what is to be done about Russia.

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Reports have emerged that the U.S. President has sent a relevant message to NATO, but its contents are not yet known. German Defense Minister Volker Ruehe suggested that new, unconventional ways of collaboration between NATO and Russia should be sought. Thus the West has acknowledged the existence of this linkage: one cannot admit four CEE countries to NATO without finding a solution to the problem of Russian security. The stance of the latter, judging from Boris Yeltsin's statement in the Russian parliament and Andrey Kozyrev's statements abroad, remains firm and aims at preventing the expansion. One also has to bear in mind that Russia is heading for a period of preparations for parliamentary and presidential elections: in an attempt to take up slogans of the right nationalist opposition, the current government is demonstrating its toughness with regard to the West.

At the same time, this does not close to Moscow the possibility of searching for compromise solutions that would help make some headway in the matter, while enabling all participants to save face.

The search for such compromises is also inevitable because in light of a number of new circumstances Russian attempts to block the accession of the four CEE countries to NATO appear less and less likely to succeed.

On the other hand, the military action in Chechnya has strengthened the hand of those forces in the CEE who would like to distance themselves from Russia, to get certain guarantees from the West, and to take shelter under NATO's umbrella. Arguments regarding the high cost of this undertaking, first of all the standardization of weapons, that circulated in these countries are receding into the background following the events in Chechnya. Another notable phenomenon is rising pro-NATO sentiments in the Baltic states. Like Russia, all these countries are appealing to the West without taking visible efforts to forge understanding with Moscow.

Of course, the problem is not NATO's expansion as such, but—most importantly—the fact that after it, Russia will be left outside Europe's emerging security system. This will give the right, anti-Western force in Russia a pretext to interpret the move as a process aimed against Moscow, as a desire to isolate Russia. There is also another important point to it. The main problem of the emerging new European security system is that it would be unrealistic without both NATO and Russia. At the same time, it is evident that the latter can scarcely count on NATO membership in the foreseeable future.

First, this is opposed by West Europe, which is not certain that Russia will be able to hold on to the democratic tide. Second, this is opposed by our former Warsaw Pact allies—Russia's joining the bloc would automatically devalue their importance in it. Third, this is opposed by Russian generals, who fear that bloc membership would bring about the democratization of "their" army and impose civilian control over it. While for the CEE countries the "Partnership for Peace" program is a preparatory stage before joining NATO, Russia risks staying at this stage for a long time, if not for good. Can these contradictions be reconciled? Yes, but for this Moscow needs to revise its current approach to NATO's expansion, which leads it to nowhere; to find its own, unconventional niche of collaboration with the alliance, taking into account both the motives of others and its own interests calculated for the long run. Presently Russian diplomacy has effectively three options with regard to NATO's expansion.

The first option is to continue the current line—to bend over backward in order to keep the CEE and subsequently Baltic countries away from NATO. In present-day conditions this objective can scarcely be achieved. Moscow does not have the right to veto decisions by other sovereign states—the CEE countries, West Europe, the United States, and Canada. Moreover, in this situation it does not have effective levers to bring pressure to bear so that these countries comply with its demands. The sole result of these attempts to stick to its guns will be Moscow's alienation from the CEE countries, West Europe, and the United States. Having achieved nothing, they will only undermine its international position.

The second option could be Russia's doing nothing at all in connection with NATO's possible expansion, as it will be feeling insulted by the West. Russia could withdraw, get down to addressing its domestic problems, ensure its security separately (or within the framework of the CIS), while holding the West and the CEE countries responsible for a possible new divide in Europe and gaining a completely free hand for the future. This stance would be welcomed by the CEE and Baltic countries, but it would earn Russia nothing besides moral satisfaction and the inevitable slide toward political autarky and authoritarianism.

The third option would be, while brushing aside objections by various forces in Russia, to meet the West halfway by officially blessing the unconditional eastward expansion of NATO. One may hope that this decision would be paid back in the benevolence of the CEE and Baltic countries and Western democracies, something that would go a much longer way to help Russia realize its aspirations than they can afford at this stage. The West's confidence in Russia, however, will finally be determined not so much by its agreement to the alliance's expansion (which is a passing, albeit important, moment), but by the progress of reform in the country. The unquestioning agreement to NATO's expansion would enable those who play on a growing external threat to Russia to accuse its government of ignoring "national interests."

Basically, none of the three options will solve the problems of European or Russian security. Can this problem be resolved taking into account the interests of the West, the CEE countries, and Russia? It seems that it can, but

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for this purpose one will have to cede something and to demand a reward for one's concessions in return. On the whole, the solution would proceed along two tracks.

First, Russia agrees with the accession of the four CEE countries to NATO, while requesting a certain payment for that from them and the West (as was the case with the unification of the two Germanies). This is first of all the price for possible risks for Russian security, but it is also important to convince society that possible losses caused by NATO's expansion can be compensated for. That is to say, Moscow should set certain conditions for the CEE countries' accession to NATO. There are grounds to believe that their political leaders will evidently be ready to pay this price, of course, unless it is set too high or humiliating for them.

These conditions could include such points as extension in space and time (which Moscow needs to adapt to a new situation); non- deployment of nuclear weapons and foreign troops on a permanent basis in peacetime; a ban on military exercises involving foreign troops on territories contiguous to Russia without Moscow's consent; a ban on the deployment of offensive weapons in these areas; mutual warning on troop movements above agreed limits; guarantees of Kaliningrad Oblast's unchanging status quo, and so forth.

Second, Russia and NATO will conclude a treaty on security cooperation and partnership (not according to the 16+1 formula, under which the alliance will be shirking responsibility, but according to 1+1). NATO has never signed a similar agreement, however, but in principle there is nothing impossible in it. The treaty will proceed from the assumption that European security is based on military-political cooperation between Russia and NATO (the concept of "two pillars"); within its framework bilateral obligations (guarantees) on mutual security would be agreed upon in one form or another and legally formalized. At the same time, Russia would retain the possibility of setting up its own subregional security system within the framework of the CIS, if the latter survives, and resolving its complex problems with Ukraine. Ideas with regard to such a treaty were recently articulated by Henry Kissinger and German Defense Minister Volker Ruehe.

In present-day conditions, this option appears to be not only the most realistic, as it makes it possible to remove the main contradictions between Russia, NATO, and the CEE countries and to harmonize their interests, but also the optimal solution, for it integrates Russian security into that of Europe, not separates them. A settlement of the long-festering problem would enable Russia to get down to its domestic agenda, while maintaining its dignity in international affairs.

Kozyrev Comments on Geneva Talks With Christopher

LD2303143095 Moscow ITAR-TASS World Service in Russian 1320 GMT 23 Mar 95

[FBIS Translated Text] Geneva, 23 Mar—Russian Foreign Minister Andrey Kozyrev has described as "business-like and amicable" the atmosphere at his talks with U.S. Secretary of State Warren Christopher today. He said that "both sides are keen to hear each other out."

He told Russian journalists that the two sides had focused on preparations for the Russian-U.S. summit which is timed to coincide with the 50th anniversary of the victory over fascism. "One must render President Bill Clinton his due for his decision to visit Moscow," the minister said. According to him, "this shows that the allies in World War II have respect for each other."

"It is necessary to prepare the agenda for the presidential talks and remove secondary issues from the agenda," the head of Russian diplomacy believes. Relations between Russia and NATO were prominent at the Geneva discussions. "We did not discuss the problem of NATO's expansion. It is unacceptable to us; we are against hastiness in this issue," A. Kozyrev stressed. According to him, Americans "are displaying their readiness to take our interests into account." The minister expressed the hope that the Russian Federation and United States will be able to work out a formula for a working partnership—"even if it is a rough draft"— which would allow an accord to be reached on the presidential level.

According to A. Kozyrev, preparations for another meeting with the participation of Russian and U.S. leaders—a G7 meeting in Halifax in June—are under way. He is convinced that Russia's cooperation with G7, which has a political dimension, will increase gradually in the economic sphere. Even in Halifax, Moscow's participation in the work of the conference of the world's leading industrial countries will be greater than before.

The head of the diplomatic department has categorically refuted reports in some media that G7 is putting forward conditions for developing contacts with Russia and making this dialogue dependent on a settlement in Chechnya. "No conditions are being imposed on us; Russia cannot be dealt with in this way," he noted.

Kozyrev, Christopher Discuss FRY, Croatia

LD2303182495 Moscow ITAR-TASS World Service in Russian 1718 GMT 23 Mar 95

[FBIS Translated Text] Geneva, 23 Mar [ITAR-TASS]—We have our own plan for the peace settlement in Bosnia but we are not proposing it officially, [Foreign Minister] Andrey Kozyrev stated today at a news conference in Geneva. Summing up the results of his discussion on Balkan issues with the U.S. Secretary of State Warren Christopher, he said that Russia is interested in preserving the unity of the contact group and is sharing its ideas at the talks with the partners in order to act in agreement.

Kozyrev said that a meeting of the contact group at directors level will take place shortly. He said that France is proposing a meeting at the level of foreign ministers. At present a whole range of ideas to save the peace process is being proposed.

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As regards the position of Serbia's President Slobodan Milosevic, during the latest meeting in Belgrade and during the intensive contacts that we maintain, we succeeded in coming to an agreement that the proposals being put forward by Russia, the United States, and France, or by the contact group as a whole, should not be rejected out of hand, the minister said. It is necessary to search for a positive element in them and the possibility of making progress.

Christopher in turn said at the news conference that when discussing the situation in Croatia the sides agreed with the importance of maintaining the peacekeeping force contingent in this republic. Seeking to avoid the expansion of the war in the Balkans, the heads of the foreign policy departments instructed the representatives of their countries at the United Nations to closely cooperate in working out a resolution on Croatia.

'Diplomatic Source' on Moscow's Plan for Chechnya

LD2303155695 Moscow INTERFAX in English 1521 GMT 23 Mar 95

[FBIS Transcribed Text] GENEVA, Mar 23 (Interfax)—The situation in Chechnya cannot be resolved overnight; there is a need to implement a comprehensive plan of actions designed to reach a political and socioeconomic settlement. According to the information available to Interfax, Russia outlined this stand at the talks between its Foreign Minister Andrey Kozyrev and the U.S. Secretary of State Warren Christopher in Geneva.

According to Interfax's sources, Moscow's plan for gaining a settlement in Chechnya includes the launching of negotiations on setting up areas where both sides will refrain from using force, the confiscation of military hardware from the illegal armed formations and its destruction, the holding of talks with field commanders on ceasing fire and surrendering arms, the working out of an effective method for resolving administrative and humanitarian issues by joint efforts, the ensurance of civil rights and freedoms for the local people, and restoration works.

As a Russian diplomatic source pointed out, Moscow's calls for ceasing fire in Chechnya and for reaching local truces are still in force. So are the guarantees for amnestying those who lay down their arms.

According to the source, the setting up of areas where both sides will refrain from using force must proceed along with the efforts to promote the work of the local law-enforcement agencies belonging to the united system of Russia's Interior Ministry, local judiciary and prosecution. There is also a need to conduct an inter-Chechen dialogue designed to form a responsible government in the republic. There is a need to build up transitional political structures, using the experience of the national rebirth government led by Salambek Khajiev.

Under Moscow's plan parliamentary elections in Chechnya will be possible when durable stabilization is reached there. The issue of electing deputies from Chechnya to both chambers of Russia's Federal Assembly will have to be resolved at the same time. The future status of the Republic of Chechnya could be fixed in an agreement on dividing powers and on sharing authority between the federal and the local government bodies similar to the one signed between Moscow and Tatarstan. The signing of such a document would be the final stage of political settlement.

Even though the operation aimed at liquidating the remaining illegal armed formations continues in Chechnya, Russia's government is focusing its efforts on accomplishing the tasks of rebuilding Chechnya's economy. As the diplomatic source stressed, Russia is ready to build up cooperation in the framework of the OSCE [Organization for Security and Coopertation in Europe] in the context of normalizing the situation in the area of human rights and freedoms, promoting the work of law-enforcement agencies and establishing constitutional law and order.

Kozyrev Outlines Stance on Chechnya

LD2303213595 Moscow INTERFAX in English 1812 GMT 23 Mar 95

[From the "Diplomatic Panorama" feature: by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] GENEVA, Mar 23 (Interfax)—The situation in Chechnya cannot be resolved overnight; there is a need to implement a comprehensive plan of actions designed to reach a political and socioeconomic settlement. According to the information available to Interfax, Russia outlined this stand at the talks between its Foreign Minister Andrey Kozyrev and the U.S. Secretary of State Warren Christopher in Geneva.

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Kozyrev on Accord With U.S. on NPT Extension

LD2303211095 Moscow INTERFAX in English 1915 GMT 23 Mar 95

[FBIS Transcribed Text] GENEVA, Mar 23 (Interfax)—Russia and the U.S. are in favor of the unconditional extension of the Nuclear Non-Proliferation Treaty [NPT] for an unlimited period of time. This was declared by Russian Foreign Minister Andrey Kozyrev and the U.S. Secretary of State Warren Christopher at a Thursday news conference after talks in Geneva.

According to a press release, during the dialogue on strategic stability the two sides agreed to discuss the non-proliferation of mass destruction weapons in the context of the coming meeting of Presidents Boris Yeltsin and Bill Clinton in May.

Experts from the two countries were told to study regional and global developments threatening joint efforts to stop the proliferation of mass destruction weapons. They were also told to decide what steps Russia and the U.S. could take jointly, separately or with other countries to further strengthen their adherence to non-proliferation.

At the news conference Kozyrev stressed that there are possibilities that the May summit in Moscow will give a new impetus to the partnership between the two countries. He described as a major step Clinton's decision to come to the Russian capital on May 9 for the celebration of the 50th anniversary of VE-Day.

On the coming G7 meeting in Halifax Kozyrev said that Moscow recognizes the invariable support of the U.S. of Russian willingness to participate in G7 events. He said: "We have reached the format of a group of eight politically and the question now is to increase Moscow's involvement in the economic part of the summit."

On his talks with Christopher Kozyrev said the two sides have their own approaches to events. As examples he named the Russian nuclear cooperation program with Iran and the attitude to the developments in Chechnya. He stressed that in Geneva the two sides demonstrated their ability to discuss the matters not in the spirit of confrontation but in the spirit of a constructive dialogue aimed at resolving the existing questions.

The U.S. secretary of state said his country is firmly opposed to Moscow's nuclear cooperation with Tehran. Kozyrev remarked that Russian-Iranian cooperation is covered by IAEA [International Atomic Energy Agency] guarantees but Moscow is ready to discuss the question with Washington because the Americans are expressing their anxiety about the matter.

On the subject of the former Yugoslavia Kozyrev spoke in favor of stepping up work in the framework of the international contact group with the purpose of finding a road to a settlement. He said that the contact group would soon meet and stressed that Russia and the U.S. are willing to cooperate and preserve the unity of the group.

Kozyrev on 'Serious Conversation' Regarding NATO

LD2303220295 Moscow Russian Television Network in Russian 2000 GMT 23 Mar 95

[Video report on Foreign Minister Andrey Kozyrev's talks with Secretary of State Warren Christopher in Geneva, including recorded remarks by Kozyrev—from the "Vesti" newscast]

[FBIS Translated Excerpt] Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher concluded their talks in Geneva today.

[Correspondent Goncharov] One of the main topics in Geneva was the diplomatic preparation for the visit by American President to Moscow on 9 May. In an interview with Russian TV Andrey Kozyrev was optimistic in his assessment of the results of the talks.

[Kozyrev] We would like, as far as possible, to prepare the agenda for the talks between the Presidents, remove some secondary issues so as to avoid overloading them, and focus on those problems which can only be resolved or be given an impetus at presidential level. Here we have conducted a serious conversation on European security, including Russia's relations with NATO.

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[Goncharov] The Russian foreign minister was more severe, however, at the final news conference. AP reports that Kozyrev said that the honeymoon is over but this is not a divorce. [passage omitted: Goncharov says Moscow and Washington have differences on nuclear cooperation with Iran, NATO's role, and Russia's place at the G-7 meeting. Warren Christopher is against a more active role by Russia at the Halifax G-7 meeting and expressed his concern at the events in Chechnya]

The heads of the Russian and American diplomatic services agreed that they would need at least another personal meeting to prepare for Clinton's visit to Moscow. It will be held in Washington in April.

Kozyrev Leaves Geneva for Budapest

LD2403100295 Moscow ITAR-TASS World Service in Russian 0932 GMT 24 Mar 95

[By ITAR-TASS correspondent Konstantin Pribytkov]

[FBIS Translated Text] Geneva, 24 Mar—Andrey Kozyrev's European tour, which began with visits to Paris and Geneva, continues in Budapest today. After ending his two-day talks with U.S. Secretary of State Warren Christopher, the Russian foreign minister today left Geneva for the Hungarian capital, where he is to have talks with the country's leadership.

The two-day Geneva round was devoted to working out an agenda for the Russian-U.S. summit meeting scheduled for May. A. Kozyrev described the atmosphere at the talks as "businesslike and good-natured." W. Christopher said it was "a good start" in preparing the Moscow summit.

Kozyrev's Middle East Tour Previewed

LD2303174295 Moscow INTERFAX in English 1401 GMT 23 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 23 (Interfax)—The head of Russian diplomacy Andrey Kozyrev will pay official visits to a number of Middle East countries between March 28 and April 2, his deputy, Viktor Posuvalyuk, said at Thursday's briefing in Moscow.

According to Posuvalyuk, the trip will be made on instructions from President Boris Yeltsin in keeping with his general political policy. The policy is to increase Russia's activity as a cosponsor of the Middle East peace process, with the purpose of drawing the positions of Arabs and Israelis nearer.

Posuvalyuk said, during his tour Kozyrev will visit Egypt, Syria, Lebanon and Israel, with a stop in the Gaza Strip.

"This will be the first visit to the Palestinian autonomy area made by a Russian official of such high rank," Posuvalyuk pointed out.

He said, a major goal of Kozyrev's trip is to "have a thorough exchange of views on the state of affairs in the peace process and make Russia's contribution to this."

In this connection Posuvalyuk said that Russia has its own ideas and formulas for untying the Middle East knot, though, in his view, Moscow does not claim to have "comprehensive solutions."

During his tour, Kozyrev will also discuss bilateral relations, including issues connected with economic and military-technical cooperation, Posuvalyuk said.

The fate of the Nuclear Nonproliferation Treaty (NNT) [NPT] will also be discussed in earnest.

Russia views preserving the treaty, strengthening it and making it permanent, a top priority, Posuvalyuk stressed.

He conceded that, as far as the NNT is concerned, the Middle East is a complicated sector, and Egypt's stand is of decisive importance for the region.

In the past two weeks crucial talks on NNT problems have been conducted with Middle East countries, Posuvalyuk said. "We are searching for new arguments in favor of resolving this problem," he concluded.

Further on Kozyrev's Mideast Tour

LD2303181495 Moscow ITAR-TASS in English 1542 GMT 23 Mar 95

[By ITAR-TASS diplomatic correspondent Aleksandr Zhudro]

[FBIS Transcribed Text] Moscow March 23 TASS—The "undesirable lack of synchronising" and "lagging behind of the Syrian and Lebanese areas of settlement" manifested themselves in the negotiating process in the Middle East by now, said Viktor Posuvalyuk, Russian deputy foreign minister.

In a conversation with a narrow circle of Russian journalists on Thursday, Posuvalyuk said it would be naive to count on full harmony among all participants in a complicated quest for peace in the Middle East. However, the "lack of balance in pace has now assumed alarming proportions", he said.

The forthcoming Mideast tour of Russian Foreign Minister Andrey Kozyrev will centre on vigorous action and in-depth exchange of opinions to bring closer negotiating positions of Arabs and Israelis, Posuvalyuk said. The tour will be conducted "in the framework of the general political line in the Middle East endorsed by the Russian president".

Noting that the Middle East peace process now undergoes "stagnation, is marking time and showing lack of real progress", Posuvalyuk said there is no need to "overestimate the importance of Syria's and Israel's consent to the resumption of bilateral negotiations" at ambassadorial level. The consent was reached as a result

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of the recent Middle East tour of U.S. Secretary of State Warren Christopher. Neither Syria nor Israel "have manifested readiness for change in negotiating positions", Posuvalyuk said.

Regarding the problem of Kozyrev's tour, Posuvalyuk said that in Cairo the Russian foreign minister, in addition to meetings with Egyptian leaders, will visit the central office of the league of Arab states, the organisation that recently observed its 50th anniversary.

Posuvalyuk said that the unremitting tension in south Lebanon is a "constant headache" for the Russian Foreign Ministry. An official visit to the Lebanese capital by the Russian foreign minister is "a gesture of respect for long-suffering Lebanon in whose destiny our country has played an ambiguous role in the past", Posuvalyuk said.

He also said that alongside the Middle East settlement, Kozyrev plans thoroughly to discuss with leaders of Middle East countries the prolongation of the Nuclear Non-Proliferation Treaty. "Each country of the Middle East is right in its own way" when it upholds its own stand regarding the treaty, Posuvalyuk said. "However, there exists the supreme priority: The treaty should be prolonged, most desirably timelessly", Posuvalyuk said.

No Conflict Seen With U.S. Interests in Middle East

LD2303130495 Moscow ITAR-TASS in English 1217 GMT 23 Mar 95

[By ITAR-TASS diplomatic correspondent Aleksandr Zhudro]

[FBIS Transcribed Text] Moscow March 23 TASS—The United States spent 5.2 billion dollars to stimulate the peace process in the Middle East and confirm its status as a co-sponsor of the Arab-Israeli talks. Meanwhile, Russian diplomacy in the Middle East does not involve spending funds. Russian Deputy Foreign Minister Viktor Posuvalyuk said this on Thursday [23 March].

During a conversation with a narrow circle of Russian journalists, Posuvalyuk noted that Russia's role in mideastern affairs is based "on prestige accumulated over many years, on traditional ties and spiritual contacts of mutual understanding". Russia "has not invested a copeck" into the peace process. Moreover, it is trying to create conditions for future, mutually advantageous participation in affairs of the region.

These considerations were expressed in connection with the forthcoming Middle Eastern tour of Russian Foreign Minister Andrey Kozyrev which will take him to Egypt, Syria, Lebanon, Israel and Gaza sector.

Posuvalyuk said that upon returning from his recent middle eastern tour, U.S. Secretary of State Warren Christopher had sent a message to Kozyrev and informed his Russian counterpart of the results of his talks in capitals of Middle East countries.

Posuvalyuk warned against attempts to oppose Russia to the United States as regards the Middle East policy. "There is no competition between diplomacies of the two countries", he said. "We agree on the main things. Moscow and Washington strive for ensuring peace, stability and security in the region. But there is no total identity. We have different starting points and there is a difference in plans for bilateral relations with Middle East countries".

"The Middle East is a superrich region where there are niches for Russia and for the United States", Posuvalyuk said. "Our interests need not conflict, if one is not motivated by unsound confrontation".

Primakov Proposes International Nuclear Monitoring Body

LD2403013395 Moscow ITAR-TASS World Service in Russian 1430 GMT 23 Mar 95

[By ITAR-TASS correspondent Olga Semenova]

[FBIS Translated Text] Moscow, 23 Mar—The Russian Foreign Intelligence Service [FIS] suggests that a "multifunctional monitoring center should be created, which would unify monitoring of nonproliferation of nuclear, chemical, and biological weapons and have direct access to the UN Security Council," Yevgeniy Primakov, FIS director, said at the presentation of the Russian foreign intelligence service report.

Academician Primakov believes that such a center could coordinate all existing and newly-created international monitoring organizations. The center can base its work on its own information as well as information supplied by various national structures. "The Russian Foreign Intelligence Service invites intelligence services of various countries to participate in supplying such information to the central organization," Primakov stressed.

Asked by the ITAR-TASS correspondent if the FIS report was shown to members of the Security Council and to Boris Yeltsin personally prior to its presentation, the FIS director said that the document was sent to them for their information. The president "is in charge of our service's work including presentation of the open reports," Primakov noted. However, the head of state "is not a censor through whom all of the Foreign Intelligence Service's documents have to be filtered," Yevgeniy Primakov said.

FIS Official Denies Uranium Leaks From Russia

LD2303152295 Moscow Mayak Radio Network in Russian 1130 GMT 23 Mar 95

[FBIS Translated Excerpt] Today a presentation of a report by Yevgeniy Primakov, director of the Foreign Intelligence Service [FIS], on the Nonproliferation Treaty and problems of its extension took place in Moscow. [passage omitted]

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A question was raised at a news conference in connection with reports published in the West on leaks of nuclear materials from Russia. General Colonel Vyacheslav Trubnikov, first deputy director of the Foreign Intelligence Service, answered this question.

[Begin Trubnikov recording] So far, the Foreign Intelligence Service of Russia knows nothing about real cases of smuggling weapons-grade uranium, and our foreign partners, whoever we have asked, have not confirmed these cases either. That is why this is speculation. It is a far-reaching attempt to show the world community that the states of the former Soviet Union, including Russia, are not able to protect their nuclear stocks or weapon stocks and to establish the so-called international control over the Russian nuclear facilities. This, on the whole, is the real cause of those reports on the smuggling of weapons-grade uranium from Russia that have appeared in the press over the past two years. [end recording]

Defense Ministry Denies Airspace Violation Over Japan

LD2303142395 Moscow ITAR-TASS in English 1346 GMT 23 Mar 95

[By ITAR-TASS diplomatic correspondent Andrey Kirilov]

[FBIS Transcribed Text] Moscow March 23 TASS—The Russian military have not confirmed a report about the violation of Japan's airspace by a Russian military aircraft.

"According to preliminary data, not a single plane of the Russian Armed Forces in the area veered from the prescribed route today", ITAR-TASS was told in the information and press department of the Russian Defence Ministry.

Meanwhile, as ITAR-TASS reported from Tokyo, Japan has already made a protest to Russia over the supposed violation. According to the Japanese Foreign Ministry, the incident happened on Thursday morning Tokyo time in the airspace over the northern part of the Hokkaido Island.

According to Japanese data, a MiG-31 fighter plane of the Russian Air Force between 10:00 and 10:30 A.M. Tokyo time twice entered Japan's airspace over a small island situated in the Sea of Japan approximately 50 kilometres west of the northern extremity of the Hokkaido Island.

Four japanese F-15 fighter planes took off on alert in this connection. They had the order to warn the Russian pilot about violating Japan's airspace. But the pilot of the Russian military aircraft did not react to signals of Japanese pilots, the Japanese Foreign Ministry reported.

Calling a representative of the Russian embassy in Japan to the Japanese Foreign Ministry, a high official of the Foreign Ministry expressed on the government's behalf "extreme concern" over the incident and urged Moscow to prevent the repetition of such incidents.

Pacific Fleet Command Denial Reported

LD2403050495 Moscow ITAR-TASS World Service in Russian 0344 GMT 24 Mar 95

[By ITAR-TASS correspondent Yuriy Grachev]

[FBIS Translated Excerpt] Vladivostok, 24 Mar—Russian airplanes did not violate Japanese air space, the commands of the Pacific Fleet and the Pacific Border District stated today. According to reports from the press centers of the Fleet and the District, neither the Pacific Fleet command nor the command of the Border District have any information whatever about the violation of Japanese air space by airplanes of their air forces. Moreover, what is at issue is a MiG-31 type airplane; the Pacific Fleet and the Pacific Border District do not have such an airplane in their weaponry. [passage omitted on Japan's protest]

A representative of the Russian Embassy in Japan was invited to the Japanese Foreign Ministry, where "extreme alarm" was expressed on behalf of the government in connection with the incident.

Aum Shinrikyo Leader's Trip to Moscow Not Confirmed

LD2303180995 Moscow ITAR-TASS in English 1735 GMT 23 Mar 95

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[FBIS Transcribed Text] Moscow March 23 TASS—Russia-based members of a shadowy Japanese Buddhist sect do not know anything about the reported intention by the group's leader Shoko Asahara to visit Moscow in early April, according to the director of the sect's Moscow branch.

When asked about Asahara's present whereabouts, Fumihiro Joyu [name as received] suggested he was "as usual, somewhere near the mountain of Fuji".

Asahara, the 40-year-old founder of Aum Shinrikyo (the Sublime Truth sect), visited Moscow two years ago. The group has 10,000 followers in Japan. In 1992, it began its activities in Russia, and now has six centres in Moscow and one in the North Ossetian capital Vladikavkaz.

After Japanese police launched investigation into the group's possible involvement in Monday's attack in the Tokyo subway which killed at least 10 people and sickened 5,000, Aum Shinrikyo's Moscow members immediately dissociated themselves from the Japanese organziation. They asserted they "have never been its branch" and claimed to be "a purely Russian organization".

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In another series of appeals on Thursday, Aum Shinrikyo flatly dismissed reports that Asahara had called his followers to commit suicide, as well as that Aum Shunrikyo was a terrorist group.

"Undoubtedly, the libel on Aum Shunrikyo was purposefully forged by certain Japanese power structures seeking to eliminate it", the sect said in an appeal "to all Russian citizens".

The group has denied any involvement in the gas attack on the Tokyo subway. It claims its followers have repeatedly come under gas attacks, including in Russia, with the same gas being used.

When asked how Aum Shinrikyo in Japan came by a nerve-gas detector assigned to the Soviet Armed Forces, the sect's representatives said they did not supply equipment like this to Japan.

However, Dmitriy Saprykin, a senior Russian member of the sect, noted that Aum Shinrikyo followers included chemical troop servicemen. After sect members repeatedly showed symptoms of poisoning at Aum Shunrikyo's centre at Zvyozdniy Boulevard in Moscow, these servicemen, using chemical reconnaisance equipment, discovered the presence of nerve gas. Two months ago, the sect complained about it to the prosecutor's office.

Aum Shinrikyo, which brought a Soviet Mi-8 military helicopter to Japan, resolutely denied reports about its para-military character. The organization's "clearly-defined structure and iron discipline" are the result of "Guru Shoko Asahara's exceptional wisdom and organizational skills".

Aum Shinrikyo representatives declined to disclose the exact membership of the sect's Russian branch. However, Saprykin said about 50,000 people had applied for Aum Shinrikyo's religious books. According to Joyu, there are several thousand of active followers in Moscow.

FCS Watching Aum Shinrikyo Developments

LD2303183695 Moscow ITAR-TASS in English 1805 GMT 23 Mar 95

[By ITAR-TASS correspondent Olga Semyonova]

[FBIS Transcribed Text] Moscow March 23 TASS—Russian counterintelligence agents have been watching developments relating to the activities of the Aum Shinrikyo sect, a spokesman for the FSK [FCS] Federal Counterintelligence Service said today [23 Mar].

"In principle, the situation connected with the presence of Aum Shinrikyo in Russia has been monitored", FSK spokesman Vladimir Tomorovskiy said.

"Our units received a lot of complains from sectants' relatives and next of kin in connection with a threat to moral health of our citizens", he said, adding that all the materials on the problem were sent to the Prosecutor General's Office.

Tomorovskiy said that the Prosecutor's Office had instituted a criminal case against the Russian branch of Aum Shinrikyo.

The FSK spokesman expressed his regret that for the past years neither public figures nor state officials had reacted to the activities of the sect including its propaganda in mass media.

Replying to a TASS query, Tomorovskiy said that according to counterintelligence data, the Moscow branch of Aum Shinrikyo does not possess chemical weapons similar to those used in Monday's attack in the Tokyo subway.

Yevgeniy Sevostyanov, former head of the FSK Moscow Department, told TASS today that "the Russian legislation practically does not regulate activities of religious organisations". That is why the sect had managed to set up numerous groups of its followers in Russia, he added.

According to him, the Federal Counterintelligence Service, unlike KGB, simply does not have any special department watching the activities of religious organisations.

Sect's Broadcasts Suspended; Funds Aided Mayak

LD2303220395 Moscow NTV in Russian 1900 GMT 23 Mar 95

[FBIS Translated Excerpt] The Mayak radio station today stopped transmission of broadcasts of the Russian branch of the Aum Shinrikyo religious organization. The suspension of broadcasts is linked to the fact that members of the organization are allegedly involved in the terrorist act in the Tokyo subway system.

[Vladimir Povalyayev, Mayak general manager—identified by caption] The Moscow branch of Aum Shinrikyo has accepted our decision with understanding: In the present heated atmosphere it also considered it inappropriate to continue arousing public opinion.

[Unidentified correspondent] According to the director of the radio station, the contract to transmit Aum Shinrikyo broadcasts was exceptionally lucrative: The $800,000 which Mayak received annually from this religious sect, allowed the radio station to refurbish all its studios, which had seen no new equipment since the [1980] Olympic Games. It appears that Mayak was not the only radio station which broadcast Aum Shinrikyo programs. Thus it is still unknown which source was broadcasting on the night of 22-23 March, on 1,467 kH, from Russia, allegedly from Vladivostok. [passage omitted] So far, Aum Shinrikyo broadcasts have not been stopped in Russia, just suspended. However, Mayak listeners may never again hear Sioko Asakhara's lectures or his music.

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Chemical Defense Chief Denies Links With Sect

LD2403110995 Moscow ITAR-TASS in English 1032 GMT 24 Mar 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow March 24 TASS—A top Russian military commander resolutely rejected rumours that the Japanese "Aum Shinrikyo" religious sect might have received the secret of producing the sarin chemical gas from Russia or the former Soviet Union.

The sect is suspected of staging a nerve-gas attack in Tokyo subway which took a toll of 10 and poisoned hundreds. A Soviet-made sarin detector was found by police in its headquarters.

"No Japanese citizen, including Shoko Asahara, the Aum Shinrikyo leader, has ever been on Russian military objects and it is impossible to imagine that, as it is claimed, they could have got acquainted with chemical weapons", Stanislav Petrov, head of the chemical and biological defence troops, told TASS on Friday adding that one needs to have a "very rich imagination" to propose such a scenario.

Petrov qualified as "absurd" the claims that the sect maintained relations with the institute of the Russian Academy of Sciences engaged in chemical weapons research and that it had received the sarin detector from there. According to him, such a detector could have been obtained in Europe and Africa as well.

The general also rejected the possibility that the sect had purchased the poisonous gas which it is said to have used in the Tokyo subway at Russian military bases. "All poisonous substances are rigidly controlled, reliably guarded and all attempts to steal them even in small quantities are ruled out", Petrov said

Russia-ROK Treaty on Pacific Fleet Ships Salvage Effective

LD2403045195 Moscow ITAR-TASS World Service in Russian 0303 GMT 24 Mar 95

[By ITAR-TASS correspondent Yuriy Grachev]

[FBIS Translated Text] Vladivostok, 24 Mar—The treaty with the Republic of Korea on salvaging scrapped Pacific Fleet ships has become effective. Igor Khmelnov, commander of the Pacific Fleet, told this to the ITAR-TASS correspondent today.

The first to be broken up in March and April will be the Minsk and the Novorossiysk, two heavy aircraft carrier cruisers [tyazhelyy avianesushchiy kreyser] that have been towed to a special work site 40 km from Pusan. Thirty-two more ships taken out of the Pacific Fleet's surface forces will be sent there later.

The admiral stressed that the armaments and the combat equipment have been dismantled and the scrapped ships are of no value from a military point of view.

The greater part of the hard currency from the sale of scrap metal will go to the Pacific Fleet's budget and will be used for building housing for the families of servicemen.

FIS Official: No Need to Share U.S. Fears Over Iran Deal

LD2303205695 Moscow ITAR-TASS in English 1838 GMT 23 Mar 95

[By ITAR-TASS correspondent Olga Semenova]

[FBIS Transcribed Text] Moscow March 23 TASS—Russia has no grounds to share U.S. fears over selling nuclear technologies to Iran, a senior official of the Russian Foreign Intelligence Service [FIS] said today.

"Assertions that Iran will be able to create its own nuclear bomb in five years are beyond any criticism," Lieut. Gen. Gennadiy Yevstafyev told a news conference devoted to a new FIS report on nuclear non-proliferation problems.

Yevstafyev cited reconnaisance data saying that Iran is not carrying out any military programme connected with its cooperation with Russia in the field of nuclear technologies.

According to the general, reasons behind the U.S. insistent demands to halt the selling of Russian reactors to Iran are exlusively within bilateral relations between Russia and the United States.

Karasin on Turkish Operation in Northern Iraq

LD2103230295 Moscow ITAR-TASS World Service in Russian 1448 GMT 21 Mar 95

[By ITAR-TASS diplomatic correspondents Valeriy Sevryukov and Vladimir Suprun]

[FBIS Translated Text] Moscow, 21 Mar—Speaking at today's briefing Grigoriy Karasin, director of the Russian Foreign Ministry's information and press department, expressed the hope that the Turkish troops will leave Iraq after completing the military operation to eliminate the bases and strongholds of Kurdish extremists situated there. According to him, Russia's foreign political department has taken cognizance of the Turkish side's statements saying that it is a limited in scale one-off action which will not harm the peaceful population, territorial integrity, and unity of Iraq.

In our approach to the Kurdish problem we proceed, first of all, from the need to preserve the territorial integrity of those countries where this problem makes itself felt. We regard it as an internal affair of the relevant states, the diplomat stressed.

The Russian Foreign Ministry and the Russian Embassy in Ankara, G. Karasin said, are closely following the developments related to the operation by Turkish troops in Iraq.

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Further on Karasin Briefing

LD2303153495 Moscow INTERFAX in English 1523 GMT 23 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 23 (Interfax)—Russian Foreign Ministry's official spokesman Grigoriy Karasin on Thursday [23 March] voiced hope that Turkey's military operation in northern Iraq "will be of a limited character both in time and scope."

Addressing a briefing in Moscow, Karasin said that "at present it is particularly important to refrain from steps which could lead to escalation of tensions in the region."

Karasin said "Moscow reacted with concern to reports about human casualties, including among the civilian population."

"We believe that prompt measures must be taken to prevent more casualties among civilians and further bloodshed," said Karasin.

Speaking about Russia's position towards Iraq's Kurdistan, the diplomat said that "it is based on the unalterable support of the territorial integrity and sovereignty of Iraq."

Moscow To Export APC's to Palestine Authorities

LD2303143295 Moscow ITAR-TASS in English 1359 GMT 23 Mar 95

[By ITAR-TASS correspondent Aleksandr Zhudro]

[FBIS Transcribed Text] Moscow March 23 TASS—Russia will soon export armoured personnel carriers [APC's] to the Palestinian authority under an earlier agreement, Russian Deputy Foreign Minister Viktor Posuvalyuk told reporters today.

Posuvalyuk said Russian ministries and factories might bid for part in several profitable projects in the Gaza strip, in particular dealing with the infrasturcture and municipal economy of the Palestinian autonomy.

The deputy foreign minister said an economic Palestinian delegation was expected to come to Moscow.

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Political Issues

Chernomyrdin Addresses Government Session

LD2403115695 Moscow Russian Television Network in Russian 0704 GMT 24 Mar 95

[Speech by Prime Minister Viktor Chernomyrdin at an expanded Russian Government session in the Kremlin—live]

[FBIS Translated Text] Esteemed President, esteemed members of the government, participants in the expanded meeting of the government, the first quarter of this year, 1995, is coming to an end. The beginning of the year has not been easy, just as, it must be said, our lives have not been easy over all these past years. It is precisely this year, 1995, however, which can and should be a year of breakthrough in the economic crisis, with a changeover to the stabilization of the economy, the strengthening of the authority and efficiency of all branches of state power, and the strengthening of the federation's foundations.

Here lies the importance of what the presidential message said about the effectiveness of state power in Russia. By fulfilling the tasks set in the message, we shall, this year, enter a period of steady and stable economic, social, and political development. At the same time, the presidential message is a document whose validity goes far beyond the time framework of 1995. The message is directed towards the future. It indicates the prospects for the development of the Russian society and state on the threshold of the 21st century. It contains a consistent and ramified account of the world view underlying the reforms.

The message sets out a strategy for the development of Russia, and this strategy, on the basis of a clear recognition of Russia's national-state interests, directs us to make the fullest use of the potential of all state institutions; primarily, the potential of the executive branch of power and, in the first instance, the Government of Russia which has been set specific tasks.

These tasks include, first of all, achieving financial stabilization of the economy and achieving consistently low rates of inflation. The tasks include creating a favorable investment climate for all Russian and foreign investors. They include starting a strategic maneuver in the sectoral structure of the economy. They include carrying out institutional transformations, aimed at strengthening the creative energy of the market.

The tasks include, finally, making a real change toward giving a social direction to economic reform and carrying out a complex of measures ensuring the economic and social rights of citizens which are guaranteed by the Constitution. All of this taken together will mean the creation of the starting conditions and the potential for future economic growth and, on this basis, for the raising of national prosperity.

What has been done and what is being done in 1995?

The first three months occupy a special place on the difficult path of economic reform. For the first time of late, the economy is beginning to show encouraging results.

In January, the price of consumer goods and services increased by 18 percent, in February by 11 percent, and in March we expect a growth of 8 or 9 percent. Over the first three months of this year, gross domestic product fell by 4 or 5 percent, while in the first quarter of last year the fall was four times as much. The same is true of industrial output. In the first quarter of this year it fell by 3 percent. Last year, the first three months saw practically a 25 percent fall. Of no less importance now is the fact that it has been possible to stabilize the monthly production dynamics.

The average daily output is increasing gradually. Over the first two months of this year, the overall output of the ferrous metal industry exceeded the level of the corresponding period of last year by 7 percent and the chemical and petrochemical industry by 8 percent. Of particular importance is the fact that the volume of production in machine-building grew by 4 percent in the same period.

All of that bears witness to the fact that industrial output is beginning to come out of its depressed state. Growth is being formed slowly (?but gradually) and the prerequisites for a coming boom are taking shape. Thus, at the Magnitogorsk metallurgical combine, a unique 2,000 mill [as heard] with a capacity for hot-rolling almost [word indistinct] tonnes has been put into operation. The possibility has appeared for manufacturing our own excellent rolled steel, including rolled steel which can be sold for export.

In place of wagon manufacturing works outside Russia, capacities for manufacturing electric trains have begun operating in the Demikhovskiy joint-stock machine-building works. Substantial capacities have come into operation at the Kirov Wheel Works and at the Omsk Wheel Works joint-stock company. The rate of the fall in the volume of rail freight transportation is declining: in January it was 8 percent, in February 4 percent, and in March 2 or 3 percent below last year's level is expected. So there are things to be transported. Possibilities are appearing. Work is beginning.

There are improvements in such a complex sphere of the economy as agriculture. We recently examined attentively the question of preparations for spring sowing. We adopted the necessary decisions. We outlined concrete decisions. What depends upon us now—and this concerns the government first of all—is that the mechanisms which were outlined, especially in the financial sector, should begin to operate today. Although far from everything which has been done is running smoothly, the basis for the future harvest exists. Sufficient diesel fuel has been laid in store. The situation as far as seed and

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fertilizer provision is concerned is more favorable, and if one takes account of the creation of the federal food corporation, the situation in the matter of state purchase prices is clear. There are a number of new financial mechanisms. So I think we have a right to expect that this year country folk will breathe more easily and will work as needed.

At the same time, however, the overall situation in the economy remains complex. The overall volume of capital investment fell in January-February of this year. The drop in the investment sphere is as great as it was a year ago. An effective mechanism for strengthening payment discipline, for budgetary income receipts, for elimination of nonpayment has not yet been developed. The total overdue debts by enterprises by the end of the quarter exceeds the gross domestic product created for the same period.

By the end of last year, the possibilities for the growth of the population's real incomes were exhausted. They were reduced somewhat in January-February of this year while in 1993-1994 [word indistinct] increased constantly.

The fact that the prices of basic goods which form the basis of consumption of low-income groups are increasing is of particular concern.

However. I will note once again the main lesson of the beginning of this year: over the first three months we were able to keep within the parameters of the budget. It was, of course, not easy to do that, but we endured despite all the circumstances and proved that the economy can function in the conditions of an extremely tough financial and monetary credit policy.

All this indicates one thing: the Russian economy is beginning to stabilize, although the positive changes are still very fragile.

I cannot ignore the question of the role of the Chechen factor in the current social and economic situation. Recently people have frequently said that all the measures aimed at stabilization in the federal program drawn up by the federal authorities are foredoomed to failure, owing to the considerable costs connected with bringing the conflict to an end. It must be acknowledged that there are grounds for concern. In order to advance along the path of reform, we need a peaceful settlement. But for the time being the purely economic price of the conflict does not exceed the bounds of the budget deficit. The main price is different—human lives, violence, and intolerance.

Yet there is not only shooting taking place in the republic. The work process is also beginning. Rehabilitation work is on the increase. The carrying out of the sowing is ensured. Normal life is being restored, albeit slowly.

Taking account of proposals made by deputies and by representatives of public movements and confessions, the government has drawn up and presented to the president an agreed plan of action for a peaceful settlement of the situation in Chechnya. We are also preparing fresh proposals. Our view of the matter is unambiguous: we shall support any realistic steps leading to a peaceful settlement and bringing the end of the Chechen tragedy closer.

Esteemed participants in the session: The future of the reforms depends directly on the success of economic policy in the current year of 1995. We should thoroughly learn the lessons of previous years. First of all, we should not relax and go limp throughout the financial year. Of course, it is already difficult, and it will be even more difficult when seasonal factors come to bear fully on our work, when the situation in the second half of the year will again have us by the throat. If we again allow ourselves to believe that everything will be fine if we just inject a little money and switch on the money-printing presses, then we should simply forget about the economic reform and abandon our intentions to develop a viable and efficient market economy in Russia. This is the main conclusion of all we did last year. We have not managed to stick to the trajectory of a consistent stabilization policy. As a result, we have a whole range of negative consequences in the social sphere, the weakening of the ruble, and an upsurge of inflation. All this has led to the fact that a number of provisions of last year's presidential message have not been implemented, including those relating to structural changes, support for industry, and the strengthening of scientific potential. The market economy cannot tolerate a lack of confidence or sloppiness. We must be tough and persistent today. We should watch every penny and we should seek and find ways out of the most difficult situations. Life demands this from us. The main thing needed now is a political will for attaining a macroeconomic stabilization. It is not only the federal authorities which should have this will, but each one of you. Stabilization is sometimes regarded as a kind of abstract wellbeing which decsends upon us like manna from heaven, and everything is just fine. This is an illusion. Macroeconomic stabilization comes when everyone starts playing in accordance with firm and clear-cut rules, living and working and paying taxes according to written laws regulating the balance of interests. The federal budget is the very foundation of this. If we stick to the budget parameters, then as an annual average we will achieve an average monthly inflation rate of 4 percent. By the end of the year we expect to reach an inflation rate of about 1-2 percent a month. This is the financial ABC which we should all learn this year.

Of course, the most important issue is the implemenation of the budget—the budget of both revenue and expenditure. At present it does not have centralized credits. The appetite for expenditures has been considerably moderated.

For the first time, it defined mechanisms for noninflationary financing of deficit. In the old days we could

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have said that the budget is not realistic enough or adopted at the end of the year and blame everything on the government. The situation is completely different today. The budget is approved and there is no one to blame. We can only blame ourselves and question ourselves. That determines the tasks: first of all, we should have an effective control over incomes. We cannot name anything as topical as this. Think about such figures. Last year the shortfall in the federal budget increased by a factor of five. It has increased by 3 trillion rubles in January and February. I think we should examine this thoroughly, first of all with the delays in paying taxes. It is high time for the Finance Ministry to fulfill its direct task—to start collecting money instead of disposing of it in terms of providing tax reliefs.

The state and tax inspectorate should stop giving objective reasons and should begin thorough day-to-day work on collection of taxes. The most effective way is directing the budget shortfall against the property of legal entities and call debtors to legal and administrative account. Once and for all we should understand a simple truth—taxes make up 80 percent of all receipts to the budget. Therefore, the budget and the entire economic policy will start working only if we start collecting the taxes. The last presidential decrees and a number of government resolutions are directly aimed at imposing order here. The truth is obvious and clear. New tax reliefs will not be granted, all the existing ones will be thoroughly examined, tax reliefs will be reexamined, the procedure for collection of taxes will be upgraded, tougher control over the collection of delayed payments will be introduced, and other steps will be taken. The most inadmissible are tax exemptions and reliefs.

The shortfall in receipts from foreign economic activity in the first three months of the year came to over 4 trillion rubles. Therefore, we have started imposing order in the area of foreign trade. Vagueness cost us a lot. Instead of exporters with special rights and export quotas, we will introduce a regulation, which will be based primarily on a tariff mechanism. The government will announce the introduction of a single minumum import duty rate in April. All tariff rates will be reconsidered on the basis of this. I am sure that all this will contribute to the increase in income to the budget. The difficult situation is being developed with the receipts to the budget from privatization, despite the fact that they are increasing from month to month. So far, its figure comes to only few dozen billion rubles, which is just a tiny fraction of the share envisaged in the budget of revenue for this year.

What is the reason for this? First and foremost it is inadequate work on legislation and enactments, and also the dragging out of organizational work to prepare for the second stage of privatization. This work slowed down at the end of last year and the beginning of this year. So discussions about possible renationalization and mistakes in personnel policy were again paid for out of budget revenue. That is what such irresponsible statements lead to.

Now the matter is being straightened out, and next week the government will examine a whole range of issues connected with the so-called post-voucher stage. Decisions will be adopted on the timetable for selling shares in federal ownership. Restrictive and prohibitive lists of all kinds will be cut back. Mechanisms will be identified to speed up the implementation of monetary privatization as a whole.

Another important reserve for strengthening budget revenue is the implementation of decisions already adopted by the government to develop the goldmining industry and the diamond complex. Extraction is falling in a country with enormous resources. As a result we are losing our place in the world market. In the near future the government will examine the conditions of work at these enterprises and adopt exhaustive measures jointly with the regions.

The fight for revenue is the direct affair not only of the Ministry of Finance and tax bodies. It is the work of the whole government, of all structures of executive authority, both in the center and in the regions. Everything must be directed toward it—bringing order into state regulation of prices and tariffs, the regulation of natural monopolies, and the normalization of the securities market.

Now for expenditure policy. If one talks about budgetary discipline, the government must begin with itself, paying out promptly what is envisaged in the plan of expenditure, especially for protected articles of the budget. We are gradually establishing order in this area, and we will complete the task.

Another issue: strict accountability in the targeted use of allocated budgetary resources. We will not be holding back here either. Currently we have several instruments for exerting such control. First, there is presidential decree no. 266, in effect since the beginning of March, which in brief boils down to a simple demand: if there is no additional revenue, then there should be no new expenditure. Second, budgetary assignations must be delivered to specific recipients through the federal treasury system.

What is the benefit here? What is the issue here? First and foremost the increase in control over and protection of budgetary resources from unauthorized and untargeted use. We have prescribed that the treasury should present the government with a monthly report. The implementation of the budget will now be examined every quarter at a sitting of the government so that measures can immediately be adopted and conclusions drawn.

Summaries of federal treasury reports are highly important documents which every head of administration must know like the Lord's Prayer, because they are currently the only reliable source of information on the state of regional and territorial budgets. The untiring efforts of individual regions to get themselves extra

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funds from the budget for whatever reason have become the talk of the town. The phenomenon is understandable, because life today is complicated and difficult. The beginning of this year is no exception.

Look at what is happening in practice. The balance of budgetary resources in the budget accounts of federation components on 1 February this year came to almost 4.5 trillion rubles, and increased by 600 billion since the start of the year. The balance exceeds 100 billion in republics such as Komi, Moscow Region—Anatoliy Stepanovich [Chernomyrdin addresses head of Moscow Region administration]—Samara, Sverdlovsk, and Perm Regions, Krasnodar and Krasnoyarsk territories, and the Republic of Dagestan. As of 1 February, there were 300 billion rubles in accounts in the Republic of Bashkortostan. There were nearly 600 billion in Moscow, Yuriy Mikhaylovich [Luzhkov; Chernomyrdin addresses mayor of Moscow]. That means funds are available. But where are the wages? Why such delays with wage payments? Why oilmen in Komi have not received their wages for three months? Why is the money kept in accounts? Why? What good is it? Who can benefit from this? Who needs this? In all probability we just do not know. We do not know what is going on out there.

Even more questions arise once you have seen the documents coming from watchdog and audit inspections. As a rule, they reveal that large sums, notably from the federal budget, are being used for purposes other than intended. Naturally, I am talking all the time about the federal budget.

Thus in Tomsk oblast, Viktor Melkhiorovich Kress, the head of administration, has ordered 3 billion rubles from the funds for supporting goods deliveries to northern regions to be placed in deposit accounts in commercial banks. In the Koryak Autonomous Okrug, these budget funds were spent to buy an airplane for the administration. The plane was needed, but you must also pay wages. I do not think we are short of airplanes. In the Nenets Okrug, all sorts of trips to the center of Russia and to other regions have been paid for.

Even the Ministry of Nationalities used the funds from the program to improve conditions in Russian regions, to pay, in effect, for employing extra officials. Nikolay Dmitriyevich [Yegorov; Chernomyrdin addresses minister], how can that be accounted for? The only explanation could be that the minister himself was absent for a long time.

The Russian Federal Employment Service is also circulating state funds in deposit accounts. The Russian Committee for Baked Products has received a budget loan for purchasing grain and baked products and for maintenance of baked product centers—and has used nearly 30 billion from it to finance commercial organizations set up by this corporation.

An inspection at 59 enterprises of the Rosugol coal industry company has shown that purpose-allocated state funds for supporting production are often used elsewhere. Granting loans and credits on favorable terms to commercial structures has become widespread. It is [Fuel and Power Engineering] Minister Shafranik's direct responsibility, as well as that of (Malashenko's) committee for coal industry, to look into this and to take harsh measures.

All these examples—and more could be adduced here today—are evidence of the poor degree of organization and overall state of financial control in the country. Possibly throughout Russian history the state control over its own finances has never been so slack. The Finance Ministry has to take what I have said as meaning that the ball is in their court. The government in general also has enough food for thought.

A law on financial control will, of course, be drawn up and submitted to the State Duma. But the most important thing is that it is an official duty of those in high positions of power to keep all executive structures strictly accountable, to protect the budget, and to make sure that it is implemented within the approved limits.

There is one more major issue that I have to mention. We have gone over to (?a new) scheme for financing the budget deficit. External loans will be used as a means of reserve policy and to service the foreign debt. This instrument, however, will apply only to this year, to 1995. In 1996 there will not be any new credits reaching this level. Indeed, we ourselves will not take on and do not have the right to use such methods.

Next year the state securities market will be the main source. This is why it is necessary to take measures already today to make sure that an instrument such as the State Production Association works reliably and systematically so that together with all [word indistinct] privatized enterprises it becomes a kind of locomotive of the Russian share market.

I would like to specially emphasize the pressing necessity of developing this most important (?instrument) of modern economics in our Russian conditions. It is here, namely, that the fate of privatization, the sources of future private investments, the inflow of foreign capital, the stopping of the activities of all sorts of swindlers, and the conditions for implementing many social programs are indivisibly linked together: this includes housing, pensions, and minimum wages. Unfortunately, we are behind schedule here, too: the government with the implementation of decisions that have already been adopted and parliamentarians with the adoption of laws on the securities market, on joint stock companies, and on the Central Bank. I hope I will get mutual understanding and cooperation here, all the more since not finding a solution to all these matters might complicate the drawing up a draft budget for 1996. This has to be adopted already this year before the new elections to the Federal Assembly. This is the task we are setting ourselves and this is the task we shall be working on.

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The drawing up, by not later than 1 July of this year, of a medium-term strategy for a taxation budget policy aimed at reducing the budget deficit to a level of 4-5 percent of the gross domestic product for the following year of 1996 and to a level of 3 percent of the GDP in 1997 is another major issue. Such a strategy will naturally enough include concrete proposals for improving the taxation system and taxation legislation—or, in other words, the concept of tax reform. Measures will be continued for reducing the number of taxes, simplifying the procedure for raising taxes, extending the tax base, and raising the role taxes have on the incomes and assets of natural persons.

(?I think) that whatever happens this document must be adopted this year. Its main aim is palpably to reduce the tax burden on everyone, and particularly on those who want to and are capable of working effectively. In June of this year the government will submit for examination by the Federal Assembly a new taxation code which will strengthen the legislative base of the taxation system. Cooperation between the government and the central bank is of tremendous importance for carrying out a confident fiscal policy. It must be said that there have been signs of improvement here. Today we are united as regards the main thing: understanding which steps have to be taken to stabilize the economy. This means that we view in the same way the fair and mutual obligation which we have set out in the joint statement on economic policy for 1995.

I hope that it will be clear to everyone why I have dwelt in such detail on issues of financial policy. This is today the most important condition for stabilization. Another thing, however, is equally understandable—the formation of a market economy demands the resolution of a whole complex of interrelated tasks. This includes the restructuring of industry, restoring enterprises to good health, bankruptcy, private ownership of land, and much besides. It is precisely such an integrated approach, along with day-to-day regulation, that the long-term action program requires.

Esteemed participants in the session: The implementation of the president's message is also very closely tied up with the implementation of the medium-term program of the government. In fact the latter is the detailed elaboration of the basic provisions of the message in the plane of social and economic policy. The draft document has been distributed to you. The philosophy of the fundamental approach is quite well known. We have, in essence, been discussing it since last summer, and, in essence, we have now been living and working on the basis of the main provisions of this document for more than two months. The old problems that comprised the content of the previous government program, adopted in the conditions of grave crisis in August 1993, have been partially resolved. New problems and new opportunities arise. Of course, a program is not a dogma. A week ago we discussed it in the government. I will say plainly that views differed somewhat on a number of the draft's provisions. This particularly concerns the agrarian sphere, social policy, support for science and for culture, and the problems of ecology. I think that thanks to today's debate, your suggestions will make the proposed program all the richer in content.

I have already touched upon the problems of financial and budgetary policy, which form the core of the medium-term program. However, whatever the significance of the macroeconomic problems of proportions, the basic intent of the program is both deeper and broader. The essence of the new stage of reform is that, as a result of the stabilization of finances and reduction of inflation, we should ensure a renewal of economic growth on the basis of encouraging highly efficient investment. It will no longer be any good simply to get the previous productive capacity going. What we need is a different kind of production, which uses high technology and, most importantly, is competitive.

Of course, economic growth does not come about as if by magic, just because someone or other wishes it. It comes only when the objective conditions for it exist. We will have to be working on the creation of precisely such conditions in the course of these three years. In fact, our program is very much a plan for building the bridge between the inflationary past and the investment-oriented future that Boris Nikolayevich Yeltsin spoke of in his message.

The draft program also proposes a specific mechanism in order to get this bridge built fairly quickly, and for it to stand firm, not swaying from the blows of waves of inflation, or bending under the weight of lobbyist influences. The reliability of this bridge depends on the depth of institutional change in the economy, on the solidity of legal guarantees, and on the fullness and thoroughness of the corresponding legislative base. Much has already been done here. First and foremost, the first part of the Civil Code, a fundamental document for the new economy, has been put into effect. This year we are going to submit 52 important bills for consideration by the State Duma, bills that have the purpose of guaranteeing the necessary legislative basis for development of the market economy. Among these are the second part of the Civil Code of the Russian Federation, the Housing Code, the Code of Civil Legal Procedure, and the Laws on State and Municipal Land, on Limited Companies, on Production Cooperatives, and on Bookkeeping and Accounting. We will not be able to get by this year without revision of the law on insolvency, and of the laws on immunity of the state and of state property, on state support for small enterprises, on natural monopolies, and on mortgages.

What we expect from the deputies of the State Duma is constructive and, most important, harmonized work, so that in the time remaining until the election, we can lay the legal foundation for the market economy.

The program that has been presented cannot, and in essence should not, be imagined as some kind of detailed

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plan of work for the industries of the national economy. It defines only the basic trends of structural policy for the coming three years.

On this basis each ministry, each department will draw up its own program to develop branches of industry. You will find place not only for common approaches but for specific figures too.

At the same time I would like to dwell on the strategy, outlined in the program, for developing the agroindustrial complex. The agroindustrial complex policy still represents an arena of most heated debates and conflicts of opinions. Which way are we to go? What exactly shall we support whatever the cost and by all means? To what extent are we going to protect our agricultural producers from the competition on the food market? How are we to bring about the situation where the Russian farmer will be able to feed his own people, his own country? What can the government do to overcome the crisis and to stabilize agroindustrial production, to try to ensure that 1995 becomes the year of real agricultural reform, as is outlined in the president's address?

First, we plan to speed up the implementation of the land reform. This is crucial. Therefore, our top priority task is strictly to carry out the presidential decree on regulating land tenure and the development of agricultural reform in Russia. We will move forward by creating a market infrastructure, including first and foremost a credit mechanism, a network of wholesale trade and exchanges dealing in agricultural production, an intermediary link in the foodstuffs complex.

The strategy of state support for the agroindustrial complex will be aimed first of all at stimulating demand for products, which will have an eventual effect on the producer. We are in favor of sensible protectionism toward our producers, including through an appropriate tariff policy. One must, however, learn to stand on one's own feet eventually. Therefore we will carry out selective measures to improve the financial state of insolvent debtors and switch to providing credit to agricultural producers chiefly against the security of the future harvest. This will enable us to concentrate state support where it will produce the biggest economic effect.

Now to move on to another sphere which requires a special approach— social issues. The government program plans to increase the effectiveness of the social policy, to take necessary measures against growing unemployment, excessive differences in incomes and wealth, and poverty and to support reforms in the social sphere.

Once again, what is important here is ways of solving these problems, such as providing financing mechanisms and most of all making sure that the funds do indeed reach those who need this help.

Social policy is to be directed at opening up for various groups and strata of population new opportunities to realize themselves in their work, and at containing the scale of unemployment.

The process of restoring savings devalued by inflation is to begin. We plan to ensure that the gap between the minimum wage, the minimum pension, student grants, allowances, and the subsistence minimum is gradually bridged. At the same time the makeup and the structure of the subsistence minimum is to be reviewed. We shall be using the mechanism of partial index-linking of money incomes in the form of periodical compensation payments.

Esteemed participants in the meeting: The abovementioned tasks follow directly from the president's address. They are realistic. Adequate mechanisms are needed to achieve them, however—not just economic but also policy and organizational ones. The most important thing is to ensure coordination and consistency in the work of all branches of power.

Much has been done lately to ensure this unity at the federal level. Constructive cooperation and mutual understanding between the executive and the legislature is being established. One example of this was the long and in all respects fruitful work on the budget, which was crowned by its adoption both by the State Duma and by the Federation Council.

There is still considerable room for improvement in our interaction, however. New mechanisms of cooperation between the federal authorities and the regions are being formed. Unfortunately we do not always act with precision and tact in ensuring that constituent parts of the federation enjoy equal constitutional rights. This concerns all sorts of privileges, an area in which sometimes different standards are applied. This is above all our—that is the government's—shortcoming. We shall be making amends.

Another problem often raised by regional leaders is that of the role and the place of territorial bodies of federal ministries and departments. It is here that we sometimes see lack of coordination between the center and the territories. In some regions the number of these federal representatives is higher that the number of power bodies in the constituent part of the federation. Duplication of their functions is quite common, resulting in confusion. I believe that some territorial bodies should quite simply be abolished, or we can introduce dual subordination instead.

Much will have to be done to support the establishment of local self-government.

Increasing the effectiveness of state power is inseparable from strengthening the fight against crime and terrorism.

A number of bandit-like acts and murders carried out recently are justly regarded as manifestations of an increasing criminal terror and as a challenge to the policy of democratic reforms. The criminals' impunity and the lack of perceptible results in the investigations being carried out are evidence of serious inadequacies in the work of bodies of authority, first and foremost in law enforcement.

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However, another thing must be recognized: that we will only achieve a breakthrough in the situation in this sphere when we begin a decisive attack on the economic roots of organized crime—on corruption and theft in financial and credit and banking operations; the smuggling and illegal export of natural resources; fraudulent operations with the population's money; the falsification of goods for sale on the consumer market; unscrupulous advertising; and tax dodging on a massive scale in retail trading.

Our duty before the law and our conscience is to pull the rug from under the feet of the criminal authorities and ensure that private business in Russia is the most profitable and attractive for the people.

Another most important condition for the implementation of our entire policy is improving the system of bodies of state administration, improving the quality of their work. It is here, in practical administrative work on implementing our policy, that we still have many deficiencies.

First of all, this concerns organizational matters and the level of executive discipline. We keep on adopting laws, we adopt programs, decrees, and resolutions. The specific question, however, of how and what exactly we should be doing is left hanging in the air. Regrettably, this bad habit also affected the implementation of the president's message last year. Mainly, due to the fault of ministries, departments, and the government apparatus, in other words, due to the lack of discipline among a few officials we failed to adopt several documents fundamentally important for the reform.

One of the essential tasks of the past year set out in the president's message was establishing a modern system of accounting and starting the in-depth reform of the Central Bank. According to the government action plan, the Central Bank was instructed to work out a concept of reorganization of the banking system in August last year. We still do not have it. It seems that the bank is waiting for the Duma to adopt further banking legislation in order to act upon it.

To abide by the law is a very commendable virtue, but what should one do when there is no law and life has to go on? The concept should have been embedded in the law. At the moment we do not have either. It is like in a fairy tale. The decision to be made on the vital questions of the banking sphere still hangs in the air. In his message last year the president ordered the introduction of secured loan operations, including the state registration of secured loans. In connection with this, the Economy Ministry should have prepared a draft decree, a draft law on secured loan operations by October last year. This did not happen and we still do not have it today. A request was made to postpone the preparation of the document until 1 April.

The Ministry of Finance was also instructed to prepare the government resolution on consumer market development by September last year as well. But, Vladimir Georgiyevich [Chernomyrdin addresses Panskov], we also have not got it yet. This is why the reforms are not progressing. We have economic departments which should be doing what they are supposed to do—first of all, implementing the economic reforms. What else is there to talk about? What kind of acceleration? Where is the legislative basis? Who should be creating it? First of all, it is up to the government to make it. Up to the departments. This is the root of the problem. This is where the talk should start—beginning with ourselves. There should be less talk in general.

There is still too much bureaucracy and paperwork creation in the the way executive work is organized. We are getting too carried away setting up various commissions. Only last year 75 of them were set up! No one know for sure what all these commissions were for and who chairs them. This concerns the system of the state administration bodies as a whole. The administration apparatus is excessively large. In the last two years it has grown by more than one fourth and now its personnel exceeds 1 million. True, I must say that on the federal level the share is relatively small—only 37,000. But even here, there is plenty of scope if one is to try hard.

I believe we have enough to work on and I think the criticism which we hear from all sides today, first of all from the media, is perfectly justified. There exists a direct instruction from the president on the reorganization of the administrative apparatus and reduction of its personnel. A commission has been set up—yet another one, the 76th. However, there have been very few suggestions so far; there have been none, actually.

Esteemed participants in the meeting: the years that have passed since the start of reforms in Russia have shown that it is not possible to establish a socially oriented market economy without a strong state. Strength here, however, does not mean increasing the scale of the state apparatus or expanding the sphere of operation of repressive measures. Strength here means primarily working efficiently, implementing decisions in a disciplined manner, and being capable of achieving the aims that have been set.

In this sense 1995 must also be vital. If we fail here we shall not achieve anything. It is particularly important to understand this in the year when elections are to be held. It is Russia and its future which should be the winner in these elections. It is toward this that all of our work must be directed. Thank you.

Panskov Addresses Government Session

LD2403143995 Moscow Russian Television Network in Russian 0700 GMT 24 Mar 95

[Speech by Russian Finance Minister Vladimir Panskov at an expanded Russian government session in the Kremlin—live]

[FBIS Translated Text] Esteemed president of the Russian Federation, esteemed participants of the expanded

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session of the Russian Government! The issue that we are examining today is of fundamental importance to the development of the Russian economy and overcoming the negative phenomena still slowing down the successful advance of economic reforms. The Russian federal budget plays an important role in accomplishing these tasks. Viktor Chernomyrdin has already told us a lot about it in his report. I would also like to talk to you about it, without, of course, repeating what the chairman of the Russian Government said.

The federal budget was finally approved by Russia's Federal Assembly several days ago and, when the president signs it, it will be a law, a law for the government, the Federation's component parts and for all ministries and departments. Painstaking work on the draft 1995 budget that went on for many months showed that legislature and the executive can, with goodwill, work fruitfully and successfully in tackling the most difficult problems in the development of the Russian economy and the economic reforms in our country. One must be blunt here and say that it was possible to agree on the budget mainly because of a mutual readiness to compromise. The implementation of the policy stated in the budget and its strategic aims will make it possible to build an economic basis for boosting the Russian economy. And in order to do this, it is necessary to implement the budget—nothing more and nothing less—which, as I have already said, will be a law for the entire country as of 1 January. Only then all those policy directives which are stated in the presidential message and which are also stated in the government's program can be successfully carried out.

The country's budget for this year is very tough, as you are all well aware, but, I repeat, it can be implemented. If in the first quarter of this year the budget has been financing some measures and some ministries only to a certain extent, not to the full, as the law requires, this is because the budget was adopted quite late, though very quickly.

We have worked without a budget for the entire quarter of the year. As a result, we have had no credit from the budget, which, according to our estimates, should have been 6 trillion rubles. A number of fundamental measures are spelled out in the country's budget aimed at improving the collection of taxes and at strengthening the revenue of the Russian Federation. Much has already been done to obtain these taxes, to obtain this revenue, but much has yet to be done. For example, you all know that an important presidential edict on abolishing all individual tax privileges in the sphere of foreign economic trade was adopted. Implementation of the edict will allow us to add many trillions of rubles to the budget revenue. The Russian Government introduced excise stamps, which will help us to clear the Russian market of bogus alcohol and regulate imports of it. This will also allow us to increase our own alcohol production and thus, to increase the federal budget revenues, and the budgets of the Federation's component parts.

You know that the successful talks with the IMF allow us to ensure that as of the beginning of April over R2 trillion are added to the budget revenue every month. But we still have very many problems which hinder the successful implementation of the budget. Much depends on ministries and departments of the Russian Federation.

I must say that the ink had not yet dried on the presidential edict abolishing the tax privileges, when the government and Finance Ministry started to come under enormous pressure from certain forces aimed at retaining their privileges. Everyone agrees that there should be no individual privileges but everyone believes that this should not apply to him. Everyone thinks that he has some unique circumstances and that he should enjoy those privileges. There should be no individual privileges in the tax legislation because individual privileges are often granted not to those who really need them but to those who are more pushy and who know which door to open and how.

The privatization revenue envisaged by the 1995 budget is causing serious concern. Viktor Chernomyrdin has dealt with this in detail. I am not going to repeat what he said. It is important to point out that we envisaged and legislatively adopted the budget revenue of almost R9 trillion. Today, when a quarter of the year has passed, we have only about R100 billion. I must say that the Finance Ministry overlooked this but I would like to say that the State Committee for the Management of the State Property is mainly to blame for this. A draft decree has been drawn up but it needs further work. It is yet to be discussed by the government. Even if it is signed and the circumstances are in our favor, the decree will come into force on 1 May at the earliest. The fact that both the Federation Council and the State Duma take so long to examine certain issues is causing serious concern.

What are we talking about here? Firstly, the government submitted amendments to the tax legislation in good time, before the budget was presented. These amendments have already been incorporated in the country's budget, in the revenue part of this budget. What do they deal with? They abolish a number of privileges relating to taxes and, in particular, value-added tax. Nevertheless, by approving the budget for 1995, legislators effectively agreed to the amendments introduced into the new legislation. These sums and revenues were approved. Nevertheless, the conciliation commission set up by the Federal Assembly—the Federation Council and the Duma—is still examining these issues. If by 1 April these amendments are not given legislative approval, we will lose another three months, and this will amount to no more no less than a sum in excess of R6 trillion. These revenues will be taken out of the budget, they simply won't exist. That is why I ask the Federal Assembly deputies to examine this issue promptly and take a decision.

Alongside these measures, the Finance Ministry is working on other issues enabling the revenue part of the

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budget to be strengthened, and the economy to be stabilized. We attach great importance to a draft law regulating the system for levying taxes on small enterprises, which has been approved by the government. It deals with the elimination of the multitude of taxes for small enterprises and small forms of ownership, and establish a single tax for them that will go to the federal budget and the budgets of the Federation components in order to create a system to enable these small forms of ownership to pay these taxes and to counteract their tendency to avoid taxes. We are looking forward to this law; the Finance Ministry is waiting for it. The government is waiting for it. This law is needed by the components of the Russian Federation, by tax payers, and by the country's taxation bodies.

Work on the budget for 1995 is practically finished. All we have to do is lay out its distribution on a three-monthly basis and present it in the form of a law to the Russian Federation Federal Assembly.

We understand that today we no longer have time to get into the swing of things. Literally from tomorrow, the Finance Ministry starts to elaborate the ideology, policy, and concept of the budget for 1996. We are setting ourselves the task, and Viktor Chernomyrdin spoke about this, to present the budget on time so that it can be approved as is traditional in civilized countries—before the start of a new financial year, that is in December 1995. Thank you for your attention.

Yeltsin Issues Edict To Combat Fascism, Extremism

LD2303190795 Moscow ITAR-TASS in English 1854 GMT 23 Mar 95

[FBIS Transcribed Text] Moscow March 23 TASS—Russian President Boris Yeltsin on Thursday issued a decree "on measures to ensure coordinated activities of state power bodies in fighting fascism and other forms of political extremism in the Russian Federation".

According to the decree, the cases of fomenting social, racial, ethnic and religious strife, as well as of promulgating fascist ideas have become more frequent in Russia. The anti-constitutional activities of extremists is becoming ever more intense, illegal armed and paramilitary formations are being set up.

We must see to it that the expansion of political extremism not disrupt the forthcoming elections to bodies of state and local government, not hamper the free expression of the voters' will and the settlement of labour conflicts, not exert pressure upon government and municipal bodies, the document stressed.

The decree described as utterly "unsatisfactory and ill-coordinated" the activities in this sphere of Russian prosecutor's offices, the Justice Ministry and the press committee, as well as the Interior Ministry and Federal Counterintelligence Service, which are to thwart illegal, anti-constitutional activities and combat extremist, nationalist and chauvinistic actions.

The president instructed Russia's acting prosecutor general to enhance prosecutor's supervision over the compliance by all enterprises, organizations, agencies and public associations in Russia with constitutional provisions granting equal rights to all citizens irrespective of their social status, race, national origin, language or religion; prohibiting the creation of organizations seeking to overthrow the constitutional system, to affect Russia's territorial integrity, to undermine its security, to set up armed formations, to fuel social, racial, national and religious strife; to oversee criminal investigations into the cases related to the above listed issues, to discover and brign charges against all people involved in these crimes (including those financing and promulgating extremist publications).

The decree also instructed the Russian Interior Ministry and Federal Border Service to detain and initiate legal proceedings against people circulating photo, audio and video materials advocating fascism and fanning social, racial, ethnic or religious discord.

'Full Text' of Yeltsin Decree on Chechen Authority

LD2403010495 Moscow ITAR-TASS World Service in Russian 0942 GMT 23 Mar 95

[FBIS Translated Text] Moscow, 23 Mar—Boris Yeltsin has taken an important step in recreating constitutional authorities in Chechnya. The press service of the Russian president reported today that he issued the decree "On Interim Bodies of State Authority in the Chechen Republic." Following is the full text of the document:

"With a view to stabilizing the socio-political situation in the Chechen Republic and creating the conditions for setting up constitutional bodies of state authority in the republic, implementing the protection of citizens' rights and freedoms, and also guided by Part 2 of Article 77 and Article 80 of the Constitution of the Russian Federation, and in addition to Decree No. 79 of the president of the Russian Federation, dated 27 January 1995, 'On Ensuring the Conditions for the Recreation of the Constitutional Bodies of Authority in the Chechen Republic.' I resolve that:

"1. The decision of the Interim Council of the Chechen Republic on setting up the Committee of National Reconciliation of the Chechen Republic, consisting of 45 members (and chaired by U.D. Avturkhanov) on the basis of the Interim Council of the Chechen Republic, including deputies of the former Supreme Soviet of the Chechen Republic, elected from territorial districts, formed on the territory of the present Chechen Republic, and the most authoritative leaders of the republic, is to be supported.

"It is stipulated that the main tasks of the Committee of National Reconciliation of the Chechen Republic are to

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find ways of achieving reconciliation, to draw up a draft constitution of the Chechen Republic. and stage free elections in the Chechen Republic.

"2. The federal bodies of executive power are to proceed from the fact that the executive power in the Chechen Republic shall be exercised by the National Revival Government of the Chechen Republic (under Prime Minister S.N. Khadzhiyev) until a body of executive authority is set up in compliance with its new constitution in accordance with the decision of the Interim Council of the Chechen Republic.

"3. The Central Election Commission of the Russian Federation shall be instructed to give the necessary assistance to the Committee of National Reconciliation of the Chechen Republic in organizing and staging free elections to the bodies of local self- government and to the bodies of state power of the Chechen Republic.

"4. The territorial directorate of the federal bodies of executive authority in the Chechen Republic are to work with the interim bodies of state state power and local self-government of the Chechen Republic to find ways of settling the crisis in the Chechen Republic.

"5. This decree is to come into effect from the day of its publication."

Duma Defense Committee Chairman: 'No Illusions' on Chechnya

AU2403114495 Hamburg DIE WOCHE in German 24 Mar 95 p 30

[Interview with Sergey Yushenkov, chairman of the Duma Defense Committee and member of Russia's Democratic Choice party, by Kirsten Goetze: place and date not given: "I Have No Illusions"]

[FBIS Translated Text] [Goetze] Hostilities have been going on in Chechnya for three months now. Is a peaceful solution still conceivable?

[Yushenkov] I am convinced that it would be possible to end the war if the politicians wanted to. Russia could grant Chechnya special status and special freedoms without infringing on Russia's interests. Yet I have no illusions....

[Goetze] There are virtually no more protests in Russia against the war.

[Yushenkov] That is not true. Civil rights activist Kovalev has made it very clear what he thinks about the war. The same applies to independent television and some independent newspapers. People are currently trying to survive somehow. Still, polls have shown that 80 percent are in favor of an immediate end to the hostilities. The Duma is in a dilemma. It is afraid that Yeltsin might be followed by Zhirinovskiy. No other party has a figure capable of leading the country.

[Goetze] Has the West—particularly Germany—not reacted too weakly to the war?

[Yushenkov] A clear protest would have been useful for us, for the opponents to the war. It would have been a sign that Western Europe is not indifferent to what is happening in Russia. On the other hand, it would have been ridiculous for Washington or Paris to raise their forefingers and admonish Russia. What Yeltsin is doing, that is—safeguarding Russian interests, has been an integral part of foreign policy for decades. And I do not think that Germany protested officially when the United States intervened in Haiti or Panama.

[Goetze] Do you consider the use of UN troops conceivable in Chechnya?

[Yushenkov] I sincerely hope that we will manage on our own. It would be a sign of ineffectiveness to call in mediators. Quite frankly, I cannot imagine German soldiers driving about and ensuring calm in Chechnya within the framework of a UN contingent....

Korzhakov, Barsukov Not To Sue Luzhkov For Now

MK2403110095 Moscow SEGODNYA in Russian 24 Mar 95 p 1

[Unattributed report: "Generals Korzhakov and Barsukov Are Not Suing Luzhkov"]

[FBIS Translated Text] Aleksandr Korzhakov and Mikhail Barsukov stated yesterday that they consider "the accusations that they allegedly are waging a 'struggle' against Moscow Mayor Yuriy Luzhkov, found in his numerous interviews to various mass media outlets, as a hackneyed and demagogic ploy, and regard them as absurd." The statement issued by them, however, says Generals Korzhakov and Barsukov "have decided for the time being not to resort to court action to uphold their honor and dignity," taking account of "the mayor's work load."

Military Issues

Grachev's Defense Ministry Seen in 'Death Throes'

MK2203103095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 22 Mar 95 pp 1, 2

[Article by Lev Melnikov: "Giving a Beating to His Own Staff. Mr. Grachev Turns His Ministry Upside Down"]

[FBIS Translated Text] The minister's headquarters is all abuzz—there is a reshuffle going on. No minister before Grachev ever reshuffled his "team" so thoroughly. He has replaced anyone and everyone from his deputies to chiefs of directorates and sectors inside the Defense Ministry and the General Staff; even the appointment of Generals Zhurbenko and Bogdanov as General Staff chief deputies was done by the minister virtually against

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Mikhail Kolesnikov's intention and without consulting him. The minister is on record as creating in the past "out of nothing" G. Ivanov, V. Lapshov, Ye. Agapova, S. Sdorikov, V. Kosarev and other "military personages."

Becoming Pavel Grachev's deputies were generals fused together by Afghanistan, guys of almost the same age. They were described as a "combat fraternity," and were feared somewhat. Grachev characterized his deputies thus: "They cannot talk much but they can do much" (22 May 1992). Soon the team expanded to include the first ever civilian first deputy defense minister A, Kokoshin. Characteristically, after the death of Army General V. Dubynin, chief of the Russian Federation Armed Forces General Staff and the most respected person in the army, the president was offered two candidates for the position of General Staff chief: Colonel Generals V. Mironov and M. Kolesnikov. Fearing a strengthening of the "Afghan team" they appointed the more accommodating M. Kolesnikov. The impression was that the team would start working full blast to benefit the army and the country. But two years went by and hardly anything remains of the team: Boris Gromov is hanging in mid-air (Grachev's chief of staff Valeriy Lapshov, no less, evicted him from Defense Ministry building No. 1). V. Mironov had a narrow escape but is slated for eviction from the Defense Ministry. V. Dubynin died. Owing to his incompetence in Almaty, G. Ivanov has fallen from grace. Ye. Agapova's position is also shaky, just like her protege V. Kosarev (incidentally, relations between them have soured of late). Ivanov has drawn up for Grachev a report to the Council of Heads of Government running into several dozen pages. A political worker himself, Ivanov wrote the report as if it were a political briefing piece, in the best traditions of the Volkogonov school.

Only Kokoshin has so far remained outside the range of open criticism by Grachev himself. There was even a 17 March 1995 Russian Federation Defense Ministry Information and Press Directorate statement to the effect that the minister highly assesses the activity of his first deputy. The statement came in the wake of the "Swapping Bananas for Tanks" article in ROSSIYSKAYA GAZETA. But the most interesting part is that, judging from some of its passages, the article was inspired, if not by Grachev himself, by his inept entourage. The aim of the publication is easy to see: The article was clearly timed for Andrey Kokoshin's 18 March 1995 trip to the United Arab Emirates, where Pavel Grachev had gone three times without having secured any significant results to benefit Russian arms producers. It has become clear from sources in the General Staff that Grachev was insistently recommended to send Kokoshin to the Arab Emirates so as to pass the buck of Grachev's "careless" utterances about Russian military equipment used in Chechnya to his first deputy, to once again steer Grachev away from danger.

Similar attacks regarding inept command and control of troops in Chechnya appeared in some press organs and regarding the General Staff chief, whom Grachev treats with suspicion as before. Swan, pike, and crab [characters in Ivan Krylov's fable epitomizing lack of coordination] is an ideal model of a system going through death throes.

Gromov Confirms Black Sea Fleet Telephones Disconnected

LD2403143495 Moscow ITAR-TASS in English 1414 GMT 24 Mar 95

[FBIS Translated Text] Moscow March 24 TASS—All the telephones of the Black Sea Fleet were disconnected today, ITAR-TASS has learned from a report released by the Black Sea Fleet's press centre. The information was confirmed by Feliks Gromov, commander of the Russian naval forces.

Federal Assembly

Duma 'Close' To Banning Some Religious Sects

LD2303163995 Moscow NTV in Russian 2100 GMT 22 Mar 95

[FBIS Translated Text] Searches in Aum Shinrikyo's abodes in Japan have coincided in time with a trial of the Moscow branch of the sect. The action has been brought by the Public Committee for Salvation of Young People From Totalitarian Sects. Irrespective of what decision the court will take on Monday, the State Duma is already close to passing a law on banning such sects as Aum Shinrikyo.

[Vitaliy Savitskiy, deputy chairman of the Committee for Affairs of Public Associations and Religious Organizations] One can openly say, in fact, that the activity of such organization as Aum Shinrikyo destroys the Russian state and affects the formation of Russian statehood. However, I am very happy to tell you that the Council of the State Duma has eventually passed our amendments, which we had comprehensively tested in religious circles of various orientations and which had also been supported at the recent parliamentary hearings on the freedom of conscience and human rights in the Russian Federation. The amendments, which I will table on 30 March at the State Duma, aim at protecting believers and those in search of God, those who desire to achieve genuine spiritual revival in our country, from Aum Shinrikyo and similar organizations such as Reverend Moon's Unification Church and a number of others. These amendments are very specific, they apply to Article 4. They will restrict activities on the territory of the Russian Federation of a number of organizations, which, frankly speaking, in many countries are not allowed to register or have their activities stopped.

Duma Security Committee To Investigate Japanese Sect

LD2403114095 Moscow ITAR-TASS in English 1127 GMT 24 Mar 95

[By ITAR-TASS correspondent Ivan Novikov]

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[FBIS Transcribed Text] Moscow March 24 TASS—The State Duma assigned today to its committee for security to contact the prosecutor-general's office and other law enforcement agencies and to investigate together with them the activities of the Aum Shinri Kyo [Shinrikyo] religious sect on the Russian territory. A resolution to this effect was adopted at today's plenary session of the State Duma.

Members of this sect operating in Japan are suspected of having staged an act of terrorism in the Tokyo underground, as a result of which thousands of people were poisoned with a toxic gas.

State Duma Chairman Ivan Rybkin also took part in the discussion of the issue. He said that Aum Shinri Kyo had started its activities in Russia with the approval of the former Supreme Soviet, and now it is necessary to make the situation absolutely clear, because dozens of Russian citizens have become members of the sect.

The State Duma will resume the discussion of the problem after it receives comprehensive information from law enforcement agencies about the activities of the sect on the territory of Russia.

Duma Invites Yeltsin, Chernomyrdin To Speak

LD2403100595 Moscow ITAR-TASS in English 0954 GMT 24 Mar 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow March 24 TASS—The State Duma decided Friday [24 March] to invite President Boris Yeltsin and Prime Minister Viktor Chernomyrdin to speak in the house at the beginning of April on the social and economic situation in Russia and measures to come out of the current crisis. The proposal was moved by Communist MP Nadezhda Verveyko.

Budget Adopted; MP's Follow With Recommendations

LD2303150695 Moscow ITAR-TASS in English 1449 GMT 23 Mar 95

[By ITAR-TASS correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow March 23 TASS—Russian lawmakers issued on Thursday [23 March] a resolution on budget implementation containing recommendations to the Russian Government. The council of the federation approved the Russian budget for 1995 on Wednesday.

The document called for better account for regional interests, social protection of the population, reasonable taxation policy, and measures to produce additional revenues.

It was suggested, in particular, that the government should provide for quarterly indexating a minimum monthly wage to keep with inflation. To meet this goal, extra revenues should be used.

The pension fund and funds for health and social insurance should be involved in the implementation of the law on veterans.

"Neither government, nor parliament will draw up an ideal budget, and it is impossible to make all ends meet. But one should try to account to a maximum possible extent for needs of citizens and certain industries now in crisis", participants in the parliament session said.

Regional Affairs

Chernomyrdin: Moscow Right To Surrender Power to Regions

LD2303191695 Moscow INTERFAX in English 1757 GMT 23 Mar 95

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Boris Yeltsin believes that the most important duty of government bodies is to untie old knots and contradictions and prevent new conflicts.

On Thursday [23 March] in view of signing with the North Ossetian President Akhsarbek Galazov the treaty on the separation of powers between federal bodies and North Ossetian government bodies he said that federalism offers the most effective road to combining national interests in the framework of a common state.

Yeltsin said that North Ossetia is facing additional difficulties because of the presence of scores of thousands of refugees from Georgia and Chechnya. He promised that the federal authorities would do their utmost to help the republic with the settlement of the refugees.

The president declared that the Ossetian-Ingush problem was inherited from the old times and has been a source of political tension and human sufferings during the past few years. He found it impermissible to block or force the return of Ingush refugees. He felt the process should unfold in keeping with appropriate agreements.

The package of six agreements related to the separation of powers was signed by Prime-Minister Viktor Chernomyrdin and the North Ossetian Prime-Minister Yuriy Biragov.

The agreements regulate relations between the federal authorities and the republic in the North Caucasus in spheres of property, the use of land and other natural resources, environmental protection, the defence industry, foreign economic relations, tourism and holiday-making.

Answering a question from the press Chernomyrdin said that Moscow will sign similar documents with a number

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of territories before the Duma passes a law on the separation of powers between the federal authorities and Federation members.

He felt that the past two years demonstrated the correctness of surrendering more authority to the territories, especially on economic matters. Chernomyrdin added that it is better that the territories resolve their key problems themselves instead of Moscow resolving them.

Biragov stressed that the political agreements should strengthen the state structure and integrity of the Russian Federation while the economic agreements will help uproot sponging by territories.

Moscow, North Ossetia Sign Powers Separation Accord

LD2303134095 Moscow ITAR-TASS in English 1307 GMT 23 Mar 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Moscow March 23 TASS—"All contentious issues should be resolved at the negotiating table and the accords reached should be strictly implemented," Russian President Boris Yeltsin stated on Thursday [23 March]. He spoke at a ceremony of signing a treaty on the delimitation of the spheres of competence and powers between the state power bodies of the Russian Federation and the republic of North Ossetia—Alania.

The Russian president said "the document, as well as six agreements sighed at premiers' level, will constitute a legal foundation for the development of North Ossetia as full and equal member of the Russian Federation". Yeltsin emphasised that "today's event is an important landmark in the strengthening of our federation and the unity of Russian and Ossetian peoples".

"We have to tackle a lot of difficult problems, including those in inter-ethnic relations. The major duty of state power bodies is to undo the old tangles of contradictions and prevent conflict situations," Yeltsin said, expressing the conviction that the treaty signed on Thursday would make an important contribution to strengthening friendship among the peoples of Russia and would help further strengthen the Russian state and the federal principles of its set-up.

Yeltsin pointed out that "North Ossetia, just as the entire Russia is now in a difficult position. An influx of refugees from Chechnya and Georgia becomes a burden to the republic." Yeltsin emphasised that federal power bodies would help solve the problems of refugees and promote their employment.

The head of state also touched upon the Ossetian-Ingush conflict. He said "the problem was inherited from the previous time and has a source of political tension and human suffering in recent years". The president pointed out that "the return of Ingush refugees to places of their permanent residence should be carried out in full conformity with the adopted and mutually coordinated decisions. Neither deceleration nor speeding-up of the refugee return process are admissible," Yeltsin stressed.

North Ossetian President Akhsarbek Galazov assured Yeltsin that "North Ossetia has been and remains part of the great multi-ethnic Russia and its successful development is possible only within an integrated and undivided Russian Federation".

Pipeline Break Spills 1,860 Tonnes of Aviation Fuel

LD2303211995 Moscow NTV in Russian 1900 GMT 23 Mar 95

[FBIS Translated Text] Correspondents of the Krasnoyarsk TV company Afontovo told us that a major accident happened at the airport on the island of Dikson. A pipeline broke, causing 1,860 tonnes of aviation fuel to pour out onto the ice in the Eniseyskiy Zaliv Gulf of the Kara Sea. It has become known today that the fuel is seeping into the gulf through cracks in the ice.

Counterintelligence Chief on Role in Chechnya

MM2403125895 Moscow KOMSOMOLSKAYA PRAVDA in Russian 23 Mar 95 p 1

[Interview with Colonel Vladimir Bezuglyy, Northern Troop Grouping chief of counterintelligence, by Igor Yemelyanov, under the "Only In This Newspaper" rubric; date and place not given: "Why Dudayev Simply Cannot Be Apprehended—Colonel Vladimir Bezuglyy, Northern Troop Grouping Chief of Counterintelligence, Answers Questions From KOMSOMOLSKAYA PRAVDA"]

[FBIS Translated Text] [Yemelyanov] Airborne Troops Commander General Podkolzin has accused counterintelligence bodies of parasitism, declaring that they did not provide Army units with up-to-date information prior to the introduction of troops....

[Bezuglyy] But we undertook a task which should really have been fulfilled by Army intelligence, including the Airborne Troops! To be precise, we had to find persons au fait with the layout of the underground infrastructure of Groznyy. We knew of a plan by Dudayev's Chief of General Staff Maskhadov mirroring the 26 November idea to rout the opposition—lure them into the center of the city and "bust them" there. Prior to the 31 December assault, we had a complete diagram of where basic forces were concentrated, right down to the last tank or APC. On the night of the 31st, I reported back with these data personally to Airborne Troops Division Commander Major General Orlov, who had arrived from the direction of Argun, and I proposed my itinerary, but he chose to act differently....

[Yemelyanov] How do you evaluate the level of Dudayev's counterintelligence and secret service agents?

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[Bezuglyy] After the disbandment of the Chechen-Ingushetia KGB and the formation of the Department of State Security, there were few real professionals left there, and they recruited people off the streets, all of them rogues. I revived my contacts with one of the few first-class experts, whom I had known as a senior lieutenant, and he helped us a lot—he works there to this day.

[Yemelyanov] Did you have your own people in Dudayev's or Maskhadov's close entourage?

[Bezuglyy] Yes. But they left with the outbreak of vigorous hostilities.

[Yemelyanov] Did you pay agents of influence?

[Bezuglyy] Those who cooperated with us did so for ideological or, rather, patriotic considerations.

[Yemelyanov] Nevertheless, the Russian competent bodies' highest "achievement" in the campaign to apprehend Dudayev was a leaflet on an investigation in the republic and a captured tunic which once graced the general's shoulder.

[Bezuglyy] I reported back to Federal Counterintelligence Service operational groups on an almost daily basis about the whereabouts of Dudayev, Maskhadov, and Yandarbiyev. Thanks to our efforts, the Chechen president's private pilot and a hero of Abkhazia ended up in our midst.

But the famous reorganization of the KGB deprived the committee of strong, mobile structures, and at that time the Federal Counterintelligence Service did not have a single special subdivision which could act on our information and apprehend Dudayev.

When trouble brewed, they set up on paper a special operations directorate in the persons of General Gerasimov and his deputy. They recruited people in haste. They took on operations officers with the suitable physical qualities. Finnish rifles and colt pistols were acquired from a depot, they conducted target practice near Groznyy, and the Eighth Army Corps shared ammunition and "sleeping bags" with them. Main Intelligence Directorate staffers gave them hardware. This "combined team" was neverthgeless able to act on our information and seize certain high-ups in the regime, including Dudayev's older brother and his nephew, the president's personal archive and the archives of certain troop formations, as well as a state security report for 1993-1994.

There were 17 people in Gerasimov's first group. They worked autonomously in the Chechen rear services for several days. They were replaced by a groups of 21 people. Now, 30 people are operational, and it is possible that they will be able to apprehend Dudayev.

We did not see the "Vympel" unit transferred to the Ministry of Internal Affairs there. The president's "Alfa" Force flew into Mozdok and out again....

Soskovets Announces Federal Troops Capture Argun

LD2303151195 Moscow ITAR-TASS in English 1505 GMT 23 Mar 95

[FBIS Transcribed Text] Moscow March 23 TASS—Russian federal troops took the Chechen stronghold of Argun at 17.00 (14.00 GMT) today without damaging the town, First Deputy Prime Minister Oleg Soskovets said referring to a cable received from federal troops Commander Anatoliy Kulikov.

Soskovets: Argun Not 'Destroyed'

LD2303213695 Moscow ITAR-TASS in English 2033 GMT 23 Mar 95

[FBIS Transcribed Text] Moscow March 23 TASS—Russian federal troops took the Chechen stronghold of Argun at 17.00 (14.00 GMT) today "without destroying the town", First Deputy Prime Minister Oleg Soskovets said referring to a telephone message received from federal troops commander Lieut. Gen. Anatoliy Kulikov.

The press centre of the Russian Interior Ministry cited general Kulikov as saying that federal troops seized a big amount of armoured vehicles, weapons and amminition in Argun.

An unspecified number of militants were taken prisoners. According to the commander, one federal soldier was killed and nine wounded in the operation.

At present, military commandant's offices and checkpoints are set up in Argun, the press centre said.

Speaking to the State Duma on Thursday, Deputy Prime Minister Oleg Soskovets said that the main task in restoring constitutional order in Chechnya is "to disarm illegal armed formations of Dzhokhar Dudayev". "All possible measures are taken to avoid mistakes which had been made in Groznyy", he said.

"None of Dudayev's supporters is going to hold any negotiations", Soskovets stressed.

Kovalyev Condemns Chechnya Policy

BR2203144595 Paris LE FIGARO in French 22 Mar 95 p 6

[Interview with Russia's Sergey Kovalyev, human rights delegate, by Bernard Osser in Paris; date not given: "Sergey Kovalyev: 'Russia Has Slipped Back 20 Years'"—first paragraph is LE FIGARO introduction]

[FBIS Translated Text] Russian cigarette at his lips, former dissident Sergey Kovalyev has lost none of his self-assurance despite being put out to pasture 10 days ago from his post of human rights delegate to the Duma. Sergey Kovalyev, still chairman of the human rights committee advising Boris Yeltsin, violently criticized the Russian intervention in Chechnya, in particular

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condemning the "barbarity" of the bombardment of Groznyy. Speaking last week in Paris where he had been invited to attend a UNESCO conference, in this exclusive LE FIGARO interview he summarizes the results of his mission to Chechnya.

[Osser] Despite your attempts at mediation the war in Chechnya continues to be waged.

[Kovalyev] Yes, people are dying, towns are still being bombed, and human rights are still not being respected in Russia. The government has still not given any clear legal explanation for why it is fighting this war. It says it is a police operation. But how can they talk of a police operation when they are using tanks, planes, and artillery? Above all the events in Chechnya reveal a serious crisis of power and democracy in Moscow. We have slipped back 20 years and we are again living in a country where the government tells lies. Goebbels always liked to say that the bigger the lie the more the people will believe it. That is exactly what is happening in Russia today.

[Osser] You yourself have been a target for this propaganda...

[Kovalyev] It is true that they claimed I wanted to marry Helena Bonner so that I could be exactly like my friend Andrey Sakharov. Apparently, also, I called for foreign military intervention in Russia and I flirted with Dudayev's Chechen nationalism. As if I would have anything to do with Dudayev!

[Osser] So why have you been turned out of the Duma?

[Kovalyev] The reason is obvious: The authorities cannot accept an independent mediator. The politicians decided that they would control the mediator. Now the authorities and the parliamentary opposition do not need a man who tells the truth, who sides with civil society, and who has its support. The authorities like to work in comfort. That is a very Soviet way of going about things.

[Osser] So you believe that the Chechen conflict threatens the Russian process of democratization...

[Kovalyev] This war has proved to Russian society the current state of democracy. The future looks very bleak. Our politicians have learned only political intrigue from democracy, nothing else. The division of the democratic forces in Russia, due mostly to personal ambition, is very worrying. The president's circle is encouraging people to vote for Boris Yeltsin in the 1996 elections by brandishing the specter of Zhirinovskiy. However, I do not think that Yeltsin or Zhirinovskiy will be elected.

[Osser] What should Europe's attitude to Russia be?

[Kovalyev] Russia cannot get out of this crisis on its own. All Europeans are involved. They must help find a solution but they must also apply pressure...

[Osser] Will you continue with your action?

[Kovalyev] As chairman of the presidential human rights committee I do have certain prerogatives. I am also used to being described as the enemy of the people and a traitor. Dissident status is nothing new for me.

Dudayev Calls for Peaceful Settlement

LD2303202795 Moscow Russian Television Network in Russian 1700 GMT 23 Mar 95

[From the "Vesti" newscast]

[FBIS Translated Text] Today, our correspondent in Chechnya, Petr (?Korovekovskiy), sent our office an interview with Dzhokhar Dudayev. Dudayev insists on the possibility and necessity of settling the Chechen crisis through talks, and warns of the terrible consequences of the war. You will not hear any revelations in this interview, but perhaps you will be interested to hear one more view—the view of Dzhokhar Dudayev.

[Begin Dudayev recording] [Video shows Dudayev seated in a room with an interviewer] I am fully convinced of and remain committed to the same principles—any war can be settled only by peace talks. Any conflict, and especially this conflict, in which they are now saying who has won and who has lost. No one can win in an idiotic war.

Today, I was presented with a letter from Ramazan Abdulatipov, the chairman of the conference that has been held [picks up file, shows interviewer a document], in which he proposes a settlement by peaceful means. By all means, the door is open. We are ready to solve this matter only by peaceful means. [end recording]

Groznyy Controlled by Interior Troops, Local Agencies

LD2303204195 Moscow ITAR-TASS in English 1901 GMT 23 Mar 95

[By ITAR-TASS correspodent Mikhail Shevtsov]

[FBIS Transcribed Text] Moscow March 23 TASS—As of today, the situation in Chechnya's capital Groznyy is under full control of Russian Interior Troops and local law enforcement agencies. Federal Army troops are fully withdrawn from the city, a spokesman for the Interior Ministry troops' command said on Thursday [23 March].

Mayor-general Vyacheslav Ovchinnikov, former Groznyy's commandant, said there were about 1,300 interior troops servicemen currently in Groznyy. Law enforcement functions are gradually transferred to local agencies, now manned with 1,064 employees. No one interior unit is entitled to patrol the city without participation of the local police, Ovchinnikov said.

According to the spokesman, 21 facilities have been cleared of mines in Groznyy, out of which 11 are being guarded. Fourteen newly-started baker's shops, six field baths, eight health care institutions, and fourty-one

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water-distributors are now operating in the city. Local television and radio companies resumed broadcasting. The situation with mail deliveries is also fixed. Groznyy's Staropromyslovy district, which is in the best condition, now has a school, a district police station, and a bakery.

In Ovchinnikov's view, three major pockets of resistance currently remain in Chechnya. Dudayev's supporters have established a stronghold in the Gudermes area which receives replenishments from Chechen-populated settlement Khasavyurt in Dagestan.

According to estimates by the interior troops' command, about 15 per cent of fighters are determined to fight to the finish. A majority of them are former criminals, especially those who were "close to Dudayev's regime, filled certain posts". There are also some people "driven by an idea of national independence", Ovchinnikov said.

He spoke at a meeting with non-government organizations at the Russian foundation for peace and accord.

European Parliament Delegation Fails To Reach Chechnya

LD2303202295 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 23 Mar 95

[FBIS Translated Text] The European parliamentary delegation that left Nazran today for Groznyy, failed to reach Groznyy after all. The members of the delegation returned to Nazran and then left for Moscow by air. According to Mate Chintsilishvili, a deputy of the Chechen parliament, the delegation reached the village of Samashkiy where it was given—I quote—a less than cool reception. He also said that the OSCE delegation that arrived in Nazran on Wednesday would not agree to the route proposed by the command of Russian forces in Chechnya, and failed to leave Nazran at all.

Avturkhanov on Reconciliation Moves

MK2403111095 Moscow SEGODNYA in Russian 24 Mar 95 p 1

[Report by Natalya Gorodetskaya under the "Authority" rubric: "Federal Troops Take Argun. Boris Yeltsin Creates Chechnya National Accord Committee"]

[FBIS Translated Text] According to a telephoned telegram of Colonel General Anatoliy Kulikov, commander of the unified federal forces in Chechnya, federal troops took the town of Argun with no destruction at 1700 yesterday.

Russian President Boris Yeltsin signed an edict yesterday "On Provisional Organs of Power of the Chechen Republic" in which he supports the Chechnya Provisional Council's decision on setting up a 45-member National Accord Committee (NAC) "for the purposes of stabilizing the sociopolitical situation in the Chechen Republic and creating conditions for forming constitutional organs of the republic's bodies of state power, and protection of citizens' rights and freedoms." Under Mr. Yeltsin's edict, becoming members of the NAC shall be deputies of the former Supreme Soviet of the Chechen-Ingush Republic, the more authoritative leaders of Chechnya. Umar Avturkhanov, head of the anti-Dudayev opposition Provisional Council, officially financed by Russia since summer 1994, has been appointed its chairman.

The NAC's main tasks, according to Boris Yeltsin's concept, are "to look for ways of reaching reconciliation, elaborate a constitution of the Chechen Republic, and draft normative acts on holding free elections in the republic"—and subsequently to hold these elections with the Central Electoral Commission of Russia aiding it. The government of national revival headed by Salambek Khadzhiyev, however, remains for the time being the executive power in Chechnya.

Also yesterday, Umar Avturkhanov issued a statement praising the activity of the Chechnya Provisional Council, which he heads, "which has resulted in the actual fall of the absolutist regime of Dzh. Dudayev" (think of repeated Provisional Council requests for bringing Russian troops to Chechnya). Yesterday, the statement says, the Provisional Council, "in the name of the nation's interests," passed a decision on resigning its powers and on creating a National Accord Committee with Mr. Avturkhanov becoming its chairman. "It can be noted with satisfaction that, aware of their responsibility for the people's future and having placed the nation's interests above their own ambitions, a group of Dudayev's former close comrades-in-arms have joined the National Accord Committee," the statement says. Mr. Avturkhanov notes with regret, however, that those of them who "already took executive posts following Dudayev's expulsion from Groznyy" declined NAC membership, "whereas last summer they swore on the Koran to be together till a genuine democratic power has been established in the republic."

Economic Issues

Property Committee Chief Tries To Soothe Western Investors

MK2403112095 Moscow SEGODNYA in Russian 24 Mar 95 p 1

[Report by Rustam Narzikulov from London in the "Oil and Politics" column: "Russia Has Become 20 Times Less Attractive to Foreign Capital. Western Investors Prefer Reliable Stocks and Stable Currencies"]

[FBIS Translated Text] Sergey Belyayev, chairman of the Russian Federation State Property Committee [SPC], shortly before an enlarged government session, rushed to London for a few hours in order to convince frightened foreign investors about the good prospects of investing capital in the Russian oil industry.

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Approximately 300 representatives of major Western and Russian oil companies, who gathered in the British capital for an annual international conference "Trade and Investment Possibilities in the Russian Oil Industry," related with sympathy to Mr. Belyayev's frank admissions about the fall in the number of bids by foreign investors for the purchase of Russian enterprise stocks. Their volume declined by more than 20 times. January investment demand did not exceed $25 million, as compared to August 1994 when it was $500 million.

The SPC chairman stressed that "he is not discouraged by this complicated situation" because "he sees prospects." Sergey Belyayev's optimism, however, is hardly shared by the international oil business, especially large multinational companies.

The problem is not only political instability, the war in Chechnya, and the unfavorable investment expectations. A financial consultant with U.S. Bankers Trust, who presented to members of the Russian delegation a picture of very serious changes that have occurred in recent months on world financial markets, believes that the collapse of Mexico's stock and monetary market has on the whole undermined investors' trust in the developing countries' markets. The global changes in international investments flows have resulted in an orientation toward stable countries with stable currencies (the mark, the yen), and there is no way Russia can be among them.

According to him, in the very near future the main demand for Russian companies' shares will still come from small (compared to investment banks and pension and insurance funds) Western venture funds.

As for the sale of Russian oil company shares abroad, Bankers Trust believes that in the current year investment activity will be shown predominantly by small firms that feature "good manageability."

Sergey Belyayev admitted in his presentation that the attraction of investments to Russia is restrained by budget problems: "The main task for us is to find an optimal proportion between the fiscal interests of the budget and investment support of privatized enterprises."

And finally, the SPC head made a tough statement on plans to create in Russia a National Oil Company (NOC) based on Rosnesft, which is lobbying for a corresponding project. According to Sergey Belyayev, he "does not see any need to create the NOC," while Rosneft should be reorganized as several small vertically integrated companies. Belyayev was supported by Vagit Alekperov, president of the Lukoil company, who said that "the NOC niche has already been occupied by the Fuel and Energy Ministry."

Minister Yasin on Budget, Credit Issues

MM2303152095 Moscow ROSSIYSKAYA GAZETA in Russian 23 Mar 95 First Edition pp 1,2

["Topical Theme" interview with Economics Minister Yevgeniy Yasin by Yelizaveta Leontyeva; date, place not given: "Economics Minister Yevgeniy Yasin: The Deputies Behaved Like Angels. Austerity—The Only Way To Bring About Stabilization"]

[FBIS Translated Text] There are two views about this. The first is that too little work has been done on the budget sections. The second is that if the budget is not adopted on time we will lose control over resources. Furthermore, the budget strengthens the country's unity, because otherwise many Federation components will embark on separate actions in the financial and economic sphere.

Economics Minister Yevgeniy Yasin supports the second view.

[Leontyeva] Yevgeniy Grigoryevich, pretty often one hears it said that the government would have an easier time without a budget, it would be able to do what it likes with the money and move it from one sector to another...

[Basin] I do not agree, since there is a legislative procedure that keeps the government in check. If the budget is not approved, funding can be carried out monthly only at the level of one-twelfth of the amount in the previous quarter. So there is nothing in this for the executive authorities and they would get no extra freedom. Moreover, in the first quarter, while there was no budget, the law on financing the initial months still operated and this was binding on the government and its actions.

[Leontyeva] In your opinion, what kind of a job have the deputies done on the 1995 budget?

[Yasin] I cannot say I am happy with the way the body of deputies behaves. But, contrary to my expectations, they behaved like angels. Moreover, they pointed out many gaps to us, whereupon we came up with an agreed solution. There were, though, complications which, in my opinion, were not resolved. For example, they tried to take 1.7 trillion rubles [R] out of administration. It meant that the apparatus would have had to be cut by one-third, which was impossible of course. Sure, we have a big apparatus and there is potential for cuts. But when you consider the principle behind its work, which is that of "getting more for your money," then this kind of cut would be a disaster for the bureaucracy.

[Leontyeva] Can you name the principal items in the budget which will have a fundamental effect on our lives this year.

[Yasin] First of all, I would say that the deficit is too great. And, unfortunately, we are unable to rapidly reduce expenditure. So we will have to put up with a large outlay on defense, with heavy investments in agriculture, and a considerable amount of extra money for the miners. I have to say that we do not have any possibility of obtaining extra revenue either. So although we tried our best to cut the budget deficit somewhat, we did not succeed and as a result everything is stretched to the limit. I am not pleased either about the methods of

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covering the deficit by internal and external loans. Although the IMF has given us credit and this will help the Russian economy.

The advantage of this credit is that it is to be spent on supporting the balance of payments and can be used to plug holes in the budget. Basically the government is not committed to spending this money in a particular way, which is very important.

[Leontyeva] But the IMF does limit the freedom to spend the celebrated reserve fund, which aroused so much emotion, by carrying out a monthly check on the development of our reforms. Will this $6 billion rescue us anyway? Might it not be simpler without it?

[Yasin] I think two things will play a very important part in developing our future relations with "G-7." First, the adoption of a budget, and second, the receipt of that reserve credit, which will enable us to restructure our foreign debts via the Paris and London Clubs.

[Leontyeva] Was that why the deputies were in a hurry to adopt the budget?

[Yasin] I don't know. The monthly allocation of IMF credits is very closely linked to budget revenue and expenditure, to the policy of the Russian Federation Central Bank, the pace at which inflation is coming down, and so on. Indeed, these tough conditions will be hard for us. But the fact that the IMF is holding us to them I regard as a positive thing, since we will have to tackle the task of financial stabilization anyway.

I can cite some historical examples. The Germans, for example, make no secret of the fact that Bundesbank policy in the Erhard years was dictated by the Americans. It was the same in Japan, where it was the Americans again who dictated the stabilization policy which the Japanese can now thank them for.

[Leontyeva] So you have something similar in Russia?

[Yasin] We are not occupied, thank God; we are free. Nonetheless, in the conditions set by the IMF there are more pluses than minuses. If we set our own conditions we give ourselves a lot of leeway. But when we know we have to pay, we abide by the conditions because they are dictated by someone else. And these $6 billion actually will save us—they will take care of nearly one- half of the budget deficit. Moreover, credit is more of a political than economic question. When we have actually received it we will be treated better: That is, our policy will have credibility in the West. And we will be in a better position to attract foreign investments.

[Leontyeva] What do you think of the fact that this year for the first time the state is taking out such a large amount of untied credit, which, we can see already, will drop like a stone in the budget? Some experts say it is a good thing, others say it is bad.

[Yasin] But if you have no money you have to print it unless you borrow it. We have to finance the army and the social sphere and also plug the many holes, of which there are more than enough...

[Leontyeva] Nonetheless, isn't it better to get new technologies and develop production?

[Yasin] We would not cover the deficit then. If we were to take technology and know-how, when would we get a return on it? What we need today is money. Loans are tougher too. Incidentally, we have tied credits—more than $3 billion. There are some other investment credits as well, among which there are the technologies you are talking about.

[Leontyeva] At the moment western banks are not granting us credits and governments are supplying little. Judging by the budget, we are banking on international financial organizations...

[Yasin] That is fine. In that way we get credits at relatively low interest (7-8 percent). Moreover, they give long-term loans over 15-17 years. For three-five years we don't have to pay anything, and only then do we start paying off the main debt.

That is, the conditions are easier, easier than those that any government, let alone commercial bank, would impose.

[Leontyeva] Yevgeniy Grigoryevich, with the development of the reforms and the appearance of new economic sectors, the role of the budget will not be as all-embracing as it is today. Will it diminish?

[Yasin] It is diminishing, and that is fine. It means we are moving away from the distributive system. We have already moved away from preferential credits, from subsidies for many enterprises, and the economy is much less dependent on the budget. I personally am optimistic that as a result of these innovations the effect of a tough budget on the economy will be significantly less than it was two-three years ago.

[Leontyeva] What will be the government's first steps after the adoption of the budget?

[Yasin] Financial stabilization is far more complex a matter than the mere adoption of the budget. It is hard to say what it will be like at the end of the year, but we are already taking steps. We have just had an enlarged government session to examine a three-year program, "The Reforms and the Development of the Russian Economy," in which we are already looking beyond the current period. By and large, I expect this year's budget to be implemented better than the previous one.

New Deputy Chairman of Central Bank

954E0715A Moscow KOMMERSANT-DAILY in Russian 14 Mar 95 p 5

[Article by Igor Trosnikov and Mikhail Loginov: "Andrey Kozlov, a Leader of the Central Bank at 30"]

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[FBIS Translated Text] Andrey Kozlov, chief of the Securities Administration of the Central Bank [TsB], has been named deputy chairman of the TsB. The corresponding order was signed by Tatyana Paramonova on Friday 10 March. The elevation of Kozlov undoubtedly reflects the increased significance of securities operations to the Russian economy and, in particular, the financing of state spending. The new assignment for Kozlov is also a recognition of his contribution to the development of the domestic funds market.

Andrey Kozlov has become the youngest deputy chairman of the Central Bank of Russia in the comparatively short history of that institution. The energetic takeoff of his career is explained, in our opinion, by two circumstances. First, of course, his personal qualities—intelligence plus a good education equals a solid professional. But that could prove to be insufficient if a person is not able, figuratively speaking, to "go with the flow." That ability is obvious in this case. The increased role of the Securities Administration of the TsB could have been predicted as early as when the government made the firm decision to shift to noninflationary sources of financing the federal budget deficit, in particular through a substantial expansion in the issue of state securities. The budgetary receipt of R27 trillion, as is well known, is expected from the emission of GKO's [state treasury obligations] in 1995. The significance gained by the Central Bank—a highly important element in the system for maintaining the secondary market for GKO's—is obvious in this case.

The role of the Central Bank, and the Securities Administration headed by Andrey Kozlov in particular, in "ideological" support of the development of the funds market is also large. Many remember that it was Kozlov who was the first, in 1991, to say the word "depositary." This occurred after his return from a trip to Switzerland, where Kozlov, then still a staffer of the USSR State Bank, became familiarized with the organization of the infrastructure of a secondary securities market. He has relegated one of the most important places in the overall conceptual model for the development of a funds market to this problem ever since. The success of the GKO market, by the way, is largely explained by the fact that it was possible to begin its formation with the creation of the corresponding system of auctions.

Andrey Kozlov, as far as can be judged, has always been removed from politics, which has had positive consequences on the area of work he has pursued. He and his colleagues worked together closely with the Department of Securities of the Ministry of Finance, as early as during the times of the "great confrontation" of the Central Bank and the Ministry of Finance, on a plan for the issue of short-term state obligations. That collaboration proved successful, and all subsequent plans have now been developed, one might say, by a unified team composed of staffers from the Ministry of Finance and the TsB. The head of the Department of Securities and the Finance Market of the Ministry of Finance, Bella Zlatkis, even gave Kozlov the affectionate name of Andryushey, not hiding the fact that the many issues of state securities would simply not have occurred without the help of the TsB.

Kozlov took active part in the debate with the Federal Securities Commission in the development of the law "On Banks and Banking Activity," defending the right of commercial banks to securities operations. The viewpoint of the Central Bank, as is well known, prevailed in that dispute.

Some other important directions in the activity of the Central Bank that are connected in one way or another with securities took shape over the course of 1994. Suffice it to recall the statutes on the rediscounting of bills, collateral credit, and the procedure for the creation of reserves for the depreciation of securities, among others. All of this also testifies to how much significance the Central Bank attaches to the development of the funds market. The naming of the director as a deputy chairman of the Central Bank of the Russian Federation also looks very logical in this context.

Brief Biography of Central Bank Deputy Chairman Andrey Kozlov

Andrey Kozlov was born on 6 January 1965.

In 1982, after completing secondary school, he entered the Moscow Finance Institute (today the Finance Academy) in the International Economic Relations department, which he completed in 1989. He completed conscript service in the Soviet Army from 1983 to 1985.

Andrey Kozlov worked in the Currency and Economic Administration of USSR Gosbank from August 1989 to July 1990, and then transferred to the securities department.

He took over the Securities Operations Department in December of 1990, and then the Securities Administration.

He has been a deputy chairman of the Central Bank of the Russian Federation since March 1995, while retaining the post of chief of the Securities Administration.

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International Affairs

Reportage on President's Visit to Japan

Joint Declaration Signed

LD2303212195 Moscow INTERFAX in English 1812 GMT 23 Mar 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] TOKYO, Mar 23 (Interfax - Ukraine)—The President of Ukraine Leonid Kuchma and Prime Minister of Japan Tomiichi Murayama signed a joint declaration in Tokyo Thursday [23 March]. Japan recognized that the existence of a free, independent and sovereign Ukraine is an important factor in stability in Europe and meets the interests of the entire international community, a well-informed source in the presidential administration told Interfax-Ukraine.

Ukraine and Japan reached agreement on principles for reforming the United Nations and strengthening its functions. Ukraine voiced support for Japan's permanent membership in the UN Security Council.

During the talks Japan expressed readiness to back Ukraine's request for the compensation of losses caused by sanctions against ex-Yugoslavia, as well as the establishment of a more just system of making contributions to the UN.

During the talks the Japanese side confirmed intentions to help Ukraine eliminate the aftermath of the Chernobyl disaster. In addition, it offered a $150 million low-interest loan for covering the deficit in the balance of payments and a $50 million export loan for the purchase of mineral fertilizers.

After the signing ceremony Kuchma said that peace, friendship and accord with all countries of the world are the key objectives of the Ukrainian foreign policy and that relations with Japan are developing in this context.

Kuchma Meets Emperor Akihito

LD2303122095 Moscow INTERFAX in English 1123 GMT 23 Mar 95

[FBIS Transcribed Text] TOKYO, Mar 23 (Interfax-Ukraine)—Ukrainian President Leonid Kuchma met with Japan's Emperor Akihito, Thursday [23 March]. The 3-minute tete-a-tete was extended to a lunch in Kuchma's honor.

Kuchma also visited Tokyo's Stock Exchange and spent about an hour and a half at SONY's headquarters where he voiced hope that from selling SONY products in Ukraine the firm would later move to manufacturing them there.

Thursday morning the Ukrainian delegation members, staying at a hotel, felt underground tremors measuring three points on the seven point Richter Scale. However, the tremors hardly had any effect on life in the Japanese capital, nor did they upset the Ukrainian delegates' schedule.

Japan Grants Kiev $200 Million Credit

LD2303221295 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 23 Mar 95

[FBIS Translated Text] After the ceremony of signing a joint declaration of Ukraine and Japan in Tokyo, Leonid Kuchma, the president of our state, said: I believe that the Ukrainian-Japanese relations gained a wonderful and dynamic impetus. The document that we signed is the basis for their further expansion and diversification.

This document crowned the Ukrainian-Japanese negotiations that were held this afternoon between the head of the Ukrainian state and Japanese Prime Minister Tomiichi Murayama.

During the negotiations, the head of the Japanese Government emphasized that Ukraine is of great significance for the stabilization of the situation in Europe and, therefore, Japan is ready to help it implement economic reforms. He said, in particular, that a credit in the amount of $150 million was granted to our state with the aim of improving the balance of trade and payments in 1994-1995, and a export credit in the amount of $50 million to purchase mineral fertilizers.

Kuchma Invites Japanese Investment

LD2403100395 Moscow ITAR-TASS in English 0900 GMT 24 Mar 95

[By ITAR-TASS correspondent Aleksandr Kopnov]

[FBIS Transcribed Text] Tokyo March 24 TASS—Ukrainian President Leonid Kuchma extended an invitation to Japanese entrepreneurs to join in incomplete Ukrainian design and technological work, above all in the areas of the military- industrial complex. He made this proposal on Friday [24 March] at a meeting with Japanese business people in the framework of his official visit to Tokyo.

There are novelties in defence enterprises of Ukraine, in some cases unique in the world practice, Kuchma said. On their basis, batch production of competitive products could be started with the use of Japanese investment and technologies.

In addition, there are good prospects for the establishment of Ukraine's cooperation with Japan in aircraft construction, specifically in the implementation of the project to manufacture the unique transport plane AN-70, Kuchma said. He admitted that the recent crash of a test plane complicated the implementation of the

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project. Ukraine, however, will continue the work at this project and hopes that Japanese entrepreneurs will actively participate.

Calling on Japanese business circles for more active investment in the Ukrainian economy, the presidnet said that Ukraine's needs in foreign investment now amount to at least 30 billion dollars.

Beijing Deems Kiev's Moves on Crimea 'Logical'

WS2403092295 Kiev UKRINFORM in English 0840 GMT 24 Mar 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As the Ukrainian Embassy in Beijing reported on Thursday, March 23, Ukraine's Ambassador to China Anatoliy Plyushko conducted a series of meetings with China's high-placed officials to explain his government's official position on the Crimean dispute.

As the Ambassador's meetings suggest, official Beijing realistically appraises the situation in Crimea and around it and perceives Kiev's moves as logical and quite warranted. The Chinese officials reiterated China's unswerving support for Ukraine's sovereignty, territorial integrity, and the principle of non-interference in other nations' internal affairs. In view of this, China considers the Crimean issue to be Ukraine's own internal affair.

The Ukrainian ambassador wound up his explanatory mission with a press conference, which was attended by correspondents of the New China News Agency, as well as public organization officers.

OSCE Proposes Roundtable on Crimea Issue

WS2403094595 Kiev UKRINFORM in English 0840 GMT 24 Mar 95

[From the "Current Events" feature]

[FBIS Transcribed Text] With regard to the recent developments concerning the relationship between Ukraine and the Autonomous Republic of Crimea within Ukraine, the OSCE Mission to Ukraine states the following:

The Mission continues to offer all assistance deemed necessary to promote political dialogue, defuse tensions, and work towards peaceful settlement of the outstanding issues. Methods of quiet diplomacy are the instruments for performing such tasks. In this context High Commissioner for National Minorities Mr. Max van der Stoel, will visit Kiev and Simferopol on 4-8 April in order to discuss recent developments.

Further, the OSCE, with the assistance of the Swiss Government, intends to organize a Ukrainian Roundtable in Switzerland in early May. This meeting should concentrate on the future relationship between the central Ukrainian authorities in Kiev and the political structures of the Autonomous Republic of Crimea in Simferopol. It should provide an OSCE sponsored forum for discussion of Crimean issues to which leading personalities in senior government and parliamentary positions both from Kiev and Simferopol will be invited.

The Mission hopes that the discussions at this Ukrainian Roundtable would focus on attempts by both sides to identify concrete and specific issues of common concern and also common interest. In the framework of preventive diplomacy undertaken by the OSCE and its Mission to Ukraine, this could lead towards the emergence of a mechanism for a continuous Ukrainian dialogue to alleviate tensions by joint problem management. The Mission thinks, that in view of the current situation the need for such an OSCE forum on neutral grounds is of particular importance.

The Roundtable, chaired by the High Commissioner on National Minorities and by the Head of Mission to Ukraine and assisted by the OSCE experts that have been involved in the Crimean issues over the last year, will address the following agenda items:

1. Legal matters, constitutional issues, political relations, human rights, protection of minorities.

2. Issues related to economic decentralization (economic free zones, budgets, taxation, division of property, economic reforms)

3. Other factors influencing the situation in Crimea

The OSCE has consistently advocated the view that the solution of the current problems concerning the relationship between Ukraine and its Autonomous Republic of Crimea has to be based on full respect for OSCE principles, including respect for the unity and territorial integrity of sovereign nation states as well as for the human diversity within the sovereign state system. Both the sovereignty of Ukraine over Crimea and the autonomy of Crimea within Ukraine demand our respect.

Since its creation in 1975 in Helsinki the CSCE/OSCE has emphasized its commitment to this "Unity in Diversity" principle. On this rests the basic strength and credibility of this unique organization reaching from Vancouver to Vladivostok. This principle should also guide the actions of both Kiev and Simferopol.

Defense Ministry Denies Involvement in Sierra Leone

LD2303140895 Kiev UNIAR in Ukrainian 1230 GMT 23 Mar 95

[FBIS Translated Text] Kiev, 23 Mar—This is an announcement by the Ukraine Defense Ministry press center:

In connection with a recent report by REUTERS news agency that the government forces of Sierra Leone, backed by a Ukrainian helicopter gunship crew, last week seized in combat the town of Moyamba, 100

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kilometers distant from the capital, Freetown, the Defense Ministry press center as an official source of information at the Defense Ministry states that neither the helicopter nor the Ukraine Armed Forces have anything to do whatsoever with the events in that west African country. The REUTERS correspondent attributed the report of Ukrainian participation to a high-ranking officer within the government forces.

U.S. Firms To Help Destroy Nuclear Weapons

LD2303195695 Kiev UNIAR in Ukrainian 1630 GMT 23 Mar 95

[FBIS Translated Text] Washington, 23 Mar—Expert groups of Ukraine's Defense Ministry and the U.S. Department of Defense have completed their regular meeting at which they considered issues of liquidating nuclear weapons in Ukraine and administering the money from the Nunn-Lugar Fund allocated for that purpose.

Ukrainian military experts held a number of conferences with the representatives of the U.S. firms who displayed interest in a tender for the right to become the main contractor to do liquidation work in Ukraine and build housing for the servicemen of the missile troops who will be transferred to the reserve.

In the very near future, U.S. specialists will arrive in Ukraine to visit the facilities where the work is to be done and meet their Ukrainian counterparts.

The U.S. firms technical proposals will be considered at the Defense Ministry of Ukraine.

This has been reported by the press service of the Defense Ministry Ukraine.

FRG Border Customs Inspect Cargo for Radioactivity

AU2303121295 Lvov ZA VILNU UKRAYINU in Ukrainian 18 Mar 95 p 1

[Report by the Press Center of the Oblast Council of People's Deputies: "This Is Better Done at Home "]

[FBIS Translated Text] Since the end of 1994, customs services of the Federal Germany have been checking all trucks from southern European states, Ukraine in particular, for radioactive contamination.

Thus, if the radioactive contamination of the truck surface exceeds 5 msv/h [expansion not known], the automobile and its cargo are not permitted to enter Germany. For that reason, the Administration for External Economic Ties at the Lvov Oblast Executive Committee brings to the notice of organizations and firms providing shipment and transportation services, that examination for radioactive contamination must be done while still on Ukrainian territory.

National Affairs

Crimean President on Franchuk's Resignation

LD2303132095 Moscow INTERFAX in English 1239 GMT 23 Mar 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] SIMFEROPOL, Mar 22 (Interfax)—Crimea's President Yuriy Meshkov regards as "only natural" the autonomy Premier Anatoliy Franchuk's resignation. Franchuk, as he put it, "has immersed in politics in disregard of state interests, which has undoubtedly killed a number of economic programs." Meshkov made this statement at a brief meeting in Simferopol Wednesday night with the newly appointed Premier Anatoliy Drobotov and the Crimean parliament's speaker Sergey Tsekov.

Earlier on Wednesday, Crimean lawmakers overwhelmingly decided to dismiss Franchuk, a relative of Ukraine's President Leonid Kuchma, and appoint Drobotov to the top government post.

As Aleksandr Spakhov, Meshkov's adviser, has reported to Interfax, the three leaders exchanged views on the situation in Crimea following the resignation of senior cabinet members and their replacement and discussed how to normalize relations between Crimea and Ukraine.

As Ukraine's parliament decided to abolish the constitution and the presidency in Crimea on March 17, that has drawn an extremely negative response from Simferopol.

Talking with Drobotov and Tsekov, Meshkov voiced confidence that the situation in Crimea would return to normal, and people in Russia and elsewhere "should not worry about their summer holidays in Crimea."

Crimean Deputies Protest Kiev Statement on Franchuk

LD2303142795 Moscow INTERFAX in English 1038 GMT 23 Mar 95

[FBIS Transcribed Text] Simferopol, Mar 23 (Interfax)—The members of the Crimean parliament protested a statement by the Ukrainian Justice Ministry to the effect that the dismissal of Crimean Prime Minister Anatoliy Franchuk was illegal, Aleksandr Spakhov, Crimean president's adviser, told Interfax Wednesday [22 March].

The ministry argues that once the Crimean Constitution was annuled, parliament did not have a right to dismiss the prime minister and his deputy Andrey Senchenko.

The Crimean parliament did so Wednesday. On the same day it appointed Anatoliy Drobotov, formerly the agriculture minister in the Crimean government, prime minster.

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Vitaly Rudakov, chairman of the Crimean parliament's Permanent State Construction Commission, told Interfax that Ukraine has been persistently trying to annul Crimea's statehood and legislaion but the law on the government has not been rescinded and so parliament has a right to dismiss any member of the government or the entire government, which it did.

Vladimir Zhukov, Crimean MP who chairs the Mass Media Commission, believes that the Crimean Supreme Soviet has helped Leonid Kuchma resolve a very delicate problem of family ties in the executive branch, Anatoliy Franchuk being the father of Kuchma's daughter-in-law.

"Parliament had a right to make this decision. We regard it as legitimate. Ukraine must put up with this decision," Aleksandr Loyevskiy, Crimean MP, Russia-Unity, told Interfax.

Crimea's Franchuk Asserts Authority

LD2303210095 Kiev UT-1 Television Network in Ukrainian 1900 GMT 23 Mar 95

[FBIS Translated Excerpt] Anatoliy Franchuk remains Crimea's prime minister. Under Ukraine's current legislation, and as clarified by the Justice Ministry, he retains the post of Crimea's head of government. At present, however, suffering from acute pneumonia, he is in hospital, which is where our correspondent met him. [passage omitted]

[Begin recording] [Franchuk, in Russian] You know what they are saying about the reasons. Now, however, they have intimidated me into lying down and not moving, since it has spread from one side to the other. It was on the right side and now it is also on the left side.

[Correspondent] How do you feel as an official?

[Franchuk] I cannot allow the life of our republic to be at stake, given the calls that resulted in the 58 votes [in favor of his resignation]. I know those people very well, and so do all Crimeans. I believe the time will come when everything will fall into place, yes, and the people will understand whether what was done is right or wrong and even...[pauses] Why is our life like this? Because we are trying so hard to sort out our problems. I mean, hard in inverted commas.

Yesterday's event, which is what I will call it, was a planned one and, I would like to say once again, is harmful for the Republic of Crimea and for the people, and it is harmful for the plans the government had.

I can even say it is malicious and biased, rather than just superficial. That is why, in view of all that, I cannot but consider myself an official. It is my duty to consider myself so.

[Correspondent] [Words indistinct] first was Serhiy Pavlovych Tsekov [Crimean Supreme Council speaker and then Anatoliy Ivanovych Drobotov [nominated by Crimean Supreme Council as head of government]. What did you talk about with them?

[Franchuk] Our opinions differed. What is interesting is that all this has allegedly been done on the pretext of protecting the republic. I would like to know who is destructive to the republic and who is a creative force. And I believe this also is something that time will decide and show. [end recording]

New Crimean Prime Minister To Keep Old Ministers

LD2303162295 Kiev UNIAN in Ukrainian 1015 GMT 23 Mar 95

[FBIS Translated Text] Simferopol—Crimean Prime Minister Anatoliy Drobotov told UNIAN on 23 March that many of the old cabinet ministers had "earned a good reputation" and he would ask them to remain in his government if the cabinet's resignation is rejected.

"The replacement of Anatoliy Franchuk was not a violation of the law," said deputy chairman of Crimea's Supreme Council Volodymyr Klychnykov. He explained that the Ukrainian parliament had not abolished the constitutional law on the government of Crimea, under which the authority to form and replace the government is vested in the Supreme Council of Crimea.

Ukrainian Justice Ministry Says Crimea Remains Autonomous

LD2303171795 Moscow ITAR-TASS in English 1433 GMT 23 Mar 95

[By UKRINFORM for TASS]

[FBIS Transcribed Text] Kiev March 23 TASS—Contrary to assertions of some media, the March 17 decision of the Ukrainian Supreme Soviet does not eliminate Crimean autonomy, the Ukrainian Justice Ministry stated on Thursday [23 March] in a special explanation in this respect.

The Ukrainian law "on the Crimean autonomous republic" states clearly that the Crimean Republic remains an administrative-territorial autonomy within Ukraine, the Ukrainian Justice Ministry noted. The present Supreme Soviet and government of the autonomous republic remain legitimate.

At the same time, substantial changes occured in the legal status of Crimea after August 17, when the Ukrainian Parliament abrogated the Crimean Constitution and annulled presidency in Crimea. Pending the adoption of the new Crimean Constitution, all authorities and organisations, officials and citizens in Crimea should be guided only by the Ukrainian Constitution and laws.

The new constitution and amendments and supplements to it will be adopted by the Supreme Soviet of the Crimean autonomous republic and will go into effect

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after being endorsed by the Ukrainian Supreme Soviet, the document of the Ukrainian Justice Ministry notes.

Ukrainian Laws Do Not Cancel Crimean Elections

LD2303182795 Moscow ITAR-TASS in English 1559 GMT 23 Mar 95

[By UKRINFORM for TASS]

[FBIS Transcribed Text] Kiev March 23 TASS—The package of laws passed by the Ukrainian parliament last week does not aim to curb the Crimea's economic, social, cultural and political activities. This also applies to local elections in the peninsula, for which the Ukrainian parliament passed a special resolution.

According to Ukraine's Justice Ministry, the resolution does not cancel the forthcoming Crimean elections scheduled for April 29, 1995, but demands that these elections be held in compliance with the Ukrainian Law on Elections to Village, District, Town, City and Regional Soviets (Councils).

Crimean Parliament Proposes Kiev Postpone Elections

LD2303195195 Moscow INTERFAX in English 1805 GMT 23 Mar 95

[FBIS Transcribed Text] SIMFEROPOL, Mar 23 (Interfax-Ukraine)— The Crimean parliament proposed Thursday the Ukrainian Supreme Soviet put off the local elections in Crimea, scheduled for April 29, until May and correspondingly extend the powers of the existing local soviets.

The Crimean parliament took as a basis a resolution on the local elections to be submitted for consideration by the Ukrainian Supreme Soviet. In part, the document proposes Kiev preserves constituencies created for deported peoples under the Crimean legislation.

The resolution provides for "holding the future election process in strict accordance with the Ukrainian Constitution."

The Crimean Supreme Soviet intends to request the Ukrainian parliament to approve the resolution and finance the local elections in Crimea.

The first aide to the Ukrainian president, Oleksandr Razumkov, told Interfax - Ukraine that under the present circumstances he "did not see other way than to decide to put off the local elections in Crimea."

Razumkov remarked that his consultations with the leaders of Ukrainian parliamentary factions proved that "they are thoroughly and comprehensively studying the situation and will make an adequate decision tomorrow."

The Crimean parliament also decided to continue its plenary session Saturday, March 25, following Crimean Prime Minister Anatoliy Drobotov's request to discuss the government issue.

In addition, the Crimean Supreme Soviet asked its presidium to prepare for discussion such issues as creating a working group "for information activities" in the Russian State Duma (lower house of parliament) and defining its powers.

UNA Said Ready To Send Troops to Crimea

WS2403100995 Kiev INTELNEWS in English 0004 GMT 24 Mar 95

[FBIS Transcribed Text] Lvov, March 23—The leader of the Ukrainian National Assembly [UNA] said Thursday [23 March] he would send troops to Crimea to help settle the political unrest there.

Andryy Shkyl, a leader of the Ukrainian National Assembly, Lvov Branch, said the assembly and the Ukrainian National Self Defense (UNA-UNSO) are ready to send their people to Crimea. The paramilitary activities of the self-defense wing of the assembly have been declared illegal.

"Let only the Office of Public Prosecutor close its eyes to our activity for two months and during this time order will be established there," Shkyl said.

Parliament revoked last week Crimea's constitution and presidency, because members of Ukraine's government said the republic had too much independence. The Ukrainian National Assembly holds three seats in Parliament.

Crimean autonomy should be totally canceled except for its ability to become an Ukrainian oblast, he said.

Shkyl also criticized Ukrainian President Leonid Kuchma for lacking consistency and for missing opportunities to solve the Crimean conflict. Shkyl said the conflict should have been solved long ago.

MVD Minister Advocates Curfew

954F1864A Donetsk AKTSENT in Russian 22 Mar 95 p 1

[Report by "VV": "Minister of Internal Affairs Proposes To Impose Curfew in Donetsk..."]

[FBIS Translated Text] The minister of internal affairs of Ukraine considers it necessary to impose a state of emergency in "certain" (in reality—all the main) regions of the country. In truncated form. It was the crime situation in Ukraine that "drove" Vladimir Radchenko to this statement.

Here are just a few figures attesting to the fact that the criminal world has declared war on us.

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In 1994, 582,000 crimes were committed (which translates into 1,500 a day), of which 198 were contract murders. Two hundred eighty-six racketeer groups were detained, and 38 tonnes of narcotics confiscated.

Special designation groups are operating in particularly "difficult" regions (Donetsk, Lugansk, Odessa, Kiev, and Crimea). In Vladimir Radchenko's opinion, the quite harsh measures undertaken by them are justified.

The minister believes it necessary to impose a curfew, that is, document checks after 2100 of persons who look suspicious; checkpoints at points of entering and exiting the city; and inspections at main highways.

Vladimir Ivanovich proposes to impose these measures in Kiev, Donetsk, Lugansk, Odessa, Lvov, and Crimea.

Economic Issues

Roundtable Views Kiev Small Privatization

954F1786A Kiev KIYEVSKIYE VEDOMOSTI in Russian 11 Mar 95 p 6

[Transcript of KIYEVSKIYE VEDOMOSTI roundtable with specialists of the Kiev regional branch of the State Property Fund by KIYEVSKIYE VEDOMOSTI correspondents Nikolay Zakrevskiy and Lyudmila Stukalina: "Participants in the Roundtable of the Kiev Regional Branch of the State Property Fund Wish VEDOMOSTI Readers... As Much Property As Will Be Enough for Your Children. And the Kind of Children Who Will Expand It"]

[FBIS Translated Text] **The president of Ukraine's edict "On Measures to Speed Up the Process of Small Business Privatization" adopted at the end of last year is intended to become a catalyst of destatization. The edict says: "Organs of state executive authority shall complete small business privatization in Ukraine in 1995." In this connection the State Property Fund [SPF] and the fund's regional branches and representations in rayons and cities must compile and approve a list of facilities subject to privatization. The edict says that lessees' organizations have the right until 1 June of this year to privatize leased property through a buy-out; after 1 June privatization will be conducted on a general basis for everyone. If the owner refuses to privatize the space, privatization organs sell patents for the right to lease it for a period of at least 10 years. In all other instances, sale of facilities subject to small-business privatization will be conducted on a competitive basis together with the space in which these facilities are located.**

Is it feasible to carry out the presidential edict? How ready are the mechanisms for its implementation? What has been the success of privatization in Ukraine and Kiev and what awaits it in the future? Specialists of the Kiev regional branch of the State Property Fund attempted to answer these questions in a roundtable conducted by KIYEVSKIYE VEDOMOSTI. The following participated in the conversation: chief of the regional branch Vladislav Zburzhinskiy; first deputy chief Vladimir Golovashkin; deputy chiefs Lyudmila Lopatko, Valeriy Tribrat, and Viktor Bilych; Sergey Vlasenko, deputy chairman of the Kiev municipal property fund; Valentina Kasprovich, chief of the property valuation department; Sergey Sologub, chief of the SPF's Radyanskiy Rayon office; Anatoliy Shulyak, chief of the SPF's Shevchenkovskiy Rayon office; and Viktor Shkurpola, chief of the SPF department for work with SPF offices in Kiev rayons.

Correspondent: Many readers have no idea what your functional duties and your rights are.

Zburzhinskiy: The Cabinet of Ministers decree approved a statute on the Kiev regional branch of the State Property Fund of Ukraine. The branch's main tasks are: organizing and conducting privatization of property owned by the state acting as an authorized lessor of state property; and organizing the work of the fund's offices in city rayons. By the way, offices are already functioning in all city rayons. Also among our duties is keeping the population informed of the course of privatization and maintaining full public disclosure.

Correspondent: Among the main reasons for last year's failure of privatization, the summer moratorium imposed by the Supreme Council was mentioned. However, specialists note that even without this ban imposed by parliament, the privatization program would still have been impossible to implement. Why?

Sologub: Each privatization body ended up on its own. There was no shared methodology. And on top of that, the confrontation between the executive and legislative authority at city and rayon level. Privatization bodies were engaged in work they were not intended for: leasing space, privatizing housing, and managing it. It takes three to four months to privatize one facility.

Correspondent: The existence of two funds—the municipal and the state property fund—caused controversy. Do you think such a division was justified?

Bilych: The division of Kiev municipal property into two categories—city and rayon—was an unprecedented decision. Later in the process of privatization, coordination of operations between the city municipal property fund, rayon municipal property funds, and the SPF's Kiev regional branch had to be built solely on agreements... if they could be reached.

Correspondent: As is known, this separation derailed the first Kiev auction.

Shulyak: At the time, an auction was announced for the privatization sale of 38 facilities, of which 23 were put up for sale and sold. And we are still sorting out the consequences... You see, the division of property was carried out this way: All nonresidential stand-alone buildings were classified as city property, and all facilities inside them—rayon property. The latter are on the

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books of the rayon housing administration, which enables their timely repair and maintenance. After the auction, the problem of how to transfer the internal space into city ownership arose.

Correspondent: How was this problem resolved?

Shulyak: I will give you an example of where we succeeded in reaching a consensus. The consignment store at 16 Zhitomirskaya Street was sold; it was city property, but all its space was Shevchenkovskiy Rayon property. The greater part of the proceeds went to the rayon (since the value of space is much higher), and the remainder—to the city. In what sense is this example also instructive? At the auction this store was purchased by its labor collective for 2.1 billion karbovantsy, while a few months earlier the Darnitsa meat-processing plant had been purchased for 2.5 billion karbovantsy. This was in 1993. The store was purchased by the labor collective. They could not find the money right away, though. Some time later a serious investor appeared among the founders—Marco Pizza, which signed a seven-year lease, and the problem was solved.

Correspondent: That is, the current preferences envisaged by the parliament essentially are not really preferences? Or rather, they are observed de jure, but not de facto. We are not saying whether this is good or bad. A collective's success depends on how competently they write the terms of the contract with those who will purchase this facility from the collective owner.

Shulyak: This is an illustration of the fact that after the facility is bought out by the labor collective, a second stage of privatization takes place: An effective owner appears on the scene. Redistribution of property takes place, and no matter how we try (right now the Supreme Council is busy trying to make privatization fair), it cannot be this way by its very nature. Collectives have different abilities when it comes to becoming owners, let alone finances.

Correspondent: How do you feel about some administrators' opinion that, for instance, in the produce trade it is better to privatize stores together with a warehouse, and it is best not to split up rayon grocery trade administrations?

Zburzhinskiy: Let us not be afraid that produce will disappear from trade because produce stores will be selling more profitable goods. The cobbler will not be left without boots, especially considering that we are selling stores that are already on lease, do not get any subsidies, and they sell both a good assortment of produce and profit-generating goods. Good owners organize trade to benefit both the customer and themselves. When such questions are raised, I think what comes through is bureaucrats' instinct of self- preservation. Who will they manage after privatization? Far from everyone is ready for work in a new environment.

Vlasenko: It is those who want to preserve authority over property who want to preserve these structures. I recently got a call from the produce trade administration, and they said: Look, farmers do bring us cheap products. Let the market decide everything instead of letting the warehouse integrated with the stores dictate prices.

Correspondent: All in all, from 1992 to 1994, 851 facilities in Kiev changed form of ownership, including 284 large and 567 small business enterprises. The current year promises to become a turning point in the denationalization of small and medium-size enterprises in the country. In particular, according to the Kiev council executive committee, the plan is to privatize 537 of 934 municipal property facilities in the capital. Is it realistic for the presidential edict to be carried out given the existing legislative base?

Shulyak: The edict will speed up privatization. At the same time there are discrepancies between the presidential edict and the law "On Leasing." In connection with the envisaged indexation of capital assets, many leased enterprises, aware of their buy-out rights, would like to extend the deadline. According to the law on leasing they have a right to buy property out within three years, while the edict would deprive them of this right after 1 June. With such a conflict in the law, litigation is inevitable.

Tribrat: Right now the greatest criticism is heaped on the privatization method through lease and subsequent buy-out. True, this method of privatization has its shortcomings. But it has been the prevailing method over the past years. Statistically, 80 percent of all facilities subject to privatization were privatized through lease and subsequent buy-out. Also, in my opinion, had all privatization bodies adhered to the 70-percent certificate quote, this method of privatization, with certain preferences for the collective, would not be much inferior than, for instance, privatization through auction. By the way, the Kiev regional branch of the Ukrainian State Property Fund did not sell a single leased enterprise except to members of lessees' organizations, and always included in the agreement a requirement to attract more Ukrainian citizens into privatization of leased enterprises.

Nevertheless, attempts are made to take advantage of certain discrepancies in legislative acts and to force us through the Arbitration Court to cancel the sale contract. So far, however, there is no mechanism for returning certificates. What will all those people who have invested their certificates in this enterprise then do?

Zburzhinskiy: One of the methods to slow down privatization is to launch audits on a massive scale, as was done by the July decree of the Supreme Council. Yes, there are mistakes, but try to work in the environment of this sort of political will, where lease legislation and such is changed three times over one year, and so forth. We should not create artificial obstacles.

Correspondent: What is currently holding up privatization?

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Golovashkin: The greatest problem is that questions of interaction between branches of authority on the state level have not been resolved. Goals have been set for 1995; certain presidential edicts on privatization have been issued, but the parliament's moratorium suspended execution of sale contracts. As a result, enterprises that had traveled the distance from filing an privatization application to a sale contract were suspended in mid-air. In addition, privatization through auction has been practically suspended as well, since the Supreme Council still has not adopted a final decision on the list of facilities that are barred from being privatized. The second problem is the lag in drafting normative documents elaborating the mechanism of implementing the edicts that are being issued, which also holds back the process of privatizing both national and municipal property. Another sore issue is setting up a database. There was a Cabinet of Ministers decree, which obliged the Ministry of Statistics to set up a database, but in reality we are doing so by drawing on the help of ministries, rayon councils, SPF offices, tax inspectorates, and other sources.

Shkurpola: Let me also note this point. A year has passed since the president issued an edict on creating a single privatization body. It said: To draft within a month a statute on the SPF's rayon offices. But the statute only came out in July. It envisaged state budget financing for all offices, which is currently not being done. And so it is still unclear: Do we engage in privatization or do we engage in putting together a system.

Correspondent: How did the decision on indexing capital assets affect implementation of the presidential edict on speeding up privatization?

Lopatko: On 17 January 1995 the procedure for capital assets indexation was approved. This immediately shifted the timeframe for the privatization process, because every enterprise, regardless of form of ownership, must index capital assets. Look at what is happening: The Ukrainian Cabinet of Ministers decree on indexation was issued on 17 January; capital assets are to be indexed as of 1 January 1995; and the indices were published in the first 10 days in February. Therefore, privatizing new facilities in the first quarter is unrealistic. Worn-out assets became unjustifiably expensive, and therefore labor collectives cannot afford to buy out enterprises.

Zburzhinskiy: Let us keep in mind that indexation makes the ability of a physical person to obtain property even more remote. We are not against indexation—the cost of assets should be brought close to the real cost, but it is obvious that preferences are becoming unachievable and collectively earned money is being devalued.

Kasprovich: In keeping with the new methodology for property valuation, state privatization bodies can request a complete inventory of the property. In the event inventorying procedures are violated, or discrepancies in documentation are revealed, it is permitted to bring in auditing firms. The current legislation mandates both inventorying and an audit in determining the value of facilities to be privatized. This discrepancy needs to be resolved on the legislative level.

Besides, it is becoming impossible to determine the appraised value of facilities subject to privatization until a number of normative documents are approved. We have information that these documents, approved by the State Property Fund, are sitting in the Ukrainian Ministry of Justice.

Lopatko: Keeping in mind the absence of approved statutes on the procedures for determining the potential profitability and conducting expert appraisal of the property value, it becomes impossible for leased enterprises to exercise their right to buyout before 1 June, as envisaged by the presidential edict.

Correspondent: There are a lot of problems in privatization. Some resolve it in a simpler way—through "grabization." How often do you encounter this?

Zburzhinskiy: A typical example; A state structure transfers property to the books of a limited liability company, grossly violating the legislation on alienation of state property. Buyers, who realize that the deal was illegal, come and ask to legalize it. We reply that the State Property Fund did not participate in it. And then the relevant organs deal with such problems.

We want to tell the readers: If you have doubts, consult lawyers and privatization bodies' staff.

Correspondent: What would you like to wish our readers?

Zburzhinskiy: We wish you property, as much as will be enough for your children. And the kind of children who will expand it.

20 Kg of Radioactive Substance Spilled During Repairs

LD2403105195 Kiev UNIAN in Ukrainian 0930 GMT 24 Mar 95

[FBIS Translated Text] Khmelnitskiy Oblast—Some 20 kg of radioactive filtering substance was spilled on the floor of the first generating set at Khmelnitskiy nuclear power plant at 2200 [2000 GMT] on 23 March, the information center of the former State Committee for Control of Work Safety in Nuclear Engineering told UNIAN. The accident occurred during the cleaning of the cooling water filter.

According to reports from the plant, the radioactive contamination of the building did not affect personnel. Decontamination work is currently in progress.

The generating set is undergoing repair after the breakdown of its turbogenerator on 20 March.

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Belarus

Lukashenka Lists Issues for National Referendum

LD2203212895 Minsk Radiostantsiya Belarus International Service in Belarusian 1900 GMT 22 Mar 95

[FBIS Translated Text] Belarusian President Alyaksandr Lukashenka yesterday at the session of the Supreme Soviet proposed that a republic-wide referendum should be held together with the elections to a new parliament. At the end of the morning sitting he made public the issues he intends to submit for a referendum. There are four of them: first, do you agree with the granting of the status of the Belarusian language to the status of the Russian language; second, do you support the proposal on establishing a new state symbol and state flag of the republic. Alyaksandr Lukashenka also intends to clarify the attitude of Belarusian citizens to his policy toward economic integration with Russia and the possibility of amendments to the constitution that would envisage early termination by the president of the powers of the parliament. At the same time the initiative of the head of state provoked diverse reaction at the parliament [words indistinct] attitudes. Most parliamentarians have no doubts that in case the referendum is held on 14 May the elections of a new legislative body in the country will be wrecked.

Lukashenka Answers Deputies' Questions

LD2303124695 Minsk Radio Minsk Network in Belarusian 1700 GMT 21 Mar 95

[Question and answer session with President Alyaksandr Lukashenka and deputies at Supreme Soviet session in Minsk on 21 March—recorded]

[FBIS Translated Excerpt] [passage omitted] [Deputy (?Stankevich)] Esteemed Alyaksandr Rygoravich, before I ask my question I want to say that it was not me but you, when you were a deputy, who initiated the acceleration of the adoption of the Constitution. [passage indistinct] You say that you are reproached often of violating the Constitution but nobody will say which norm of the Constitution you violate. Tell us please, by officially interpreting the Constitution do you not violate Article (?83) Subarticle 4, which says that official interpretation of the Constitution is an exclusive power of the Supreme Soviet? Secondly, you said that the countdown of the term of the Supreme Soviet began on 4 March. On 4 March the formation of the Supreme Soviet began and the countdown, according to the interpretation of the Supreme Soviet, [words indistinct] began from the first sitting of the Supreme Soviet. According to your logic, this Supreme Soviet cannot ever be re-elected, because the first elections were held in April, [words indistinct] then in April, in May, the replacement for the late [name indistinct] was elected two years later, etc., etc. According to such logic, [words indistinct]. Furthermore, you will not find anywhere that it says that the term of powers of a specific deputy is five years. It says that the term of powers begins from his election and ends in the election of a new deputy in his place. These are different things. Therefore, I ask again, do you believe that by undertaking the responsibility of officially interpreting the Constitution, you are violating the norms? [passage omitted]

[Lukashenka, in Russian] What does it mean: to orient this or that newspaper from the left to the right, from the center to the left and in the reverse? This will not happen. Yesterday, the esteemed Syargey Navumchyk in his speech was talking: Where is the fulfillment of the president's promises when he announced after the election that from today onwards the press is free? [preceding sentence in Belarusian] And what did I say after that, Mr. Navumchyk? Within the legal frame. And I think that somebody of the (?right) deputies here quoted me fully and correctly. You do not like it. Moreover, I put another comma there and said: There are moral criteria that the press should satisfy. Whatever the Soviet period was like, but the moral basis in the press then.... [pauses] Nobody was allowed then to print without verification an article that would defame this or that person. Altogether, in this Supreme Soviet, if you want, let's agree on one thing: Give the president power so that you will not criticize me later for having it—if the newspaper makes.... [pauses] defames a person or even the slightest error, something that has not been checked—it is finished, the newspaper does not exist.

You may applaud, but I would like to tell you Mr. Antonchyk and [word indistinct] with you the following: Let the almighty spare my Belarusian nation from having you as a president. You would not even come to the Supreme Soviet then, you would quickly push out the Supreme Soviet, the press, and the rest. It is not an empty statement. Here is a report by the minister of foreign affairs of my government, the person who you have elected, the one without any left views and etc. [words indistinct]. According to statements coming from the embassies of the Republic of Belarus abroad, some political activists of our country, during meetings with official representatives of foreign states, often violate the traditionally established and widely observed rules of the game, i.e., one should not make extensive and sharp criticism of one's own government while abroad. Of course, any political activist may fully exercise that right within the country. But during contacts with official persons of foreign states, the political culture and ethics presume restraint from obvious and open criticism of representatives of institutes of executive power and so on, which harm the foreign political interests of one's own state.

Esteemed sirs, I am reading—this has been sent from Great Britain—a document, official or otherwise, it was for some reason called a parliamentary delegation. I do not know what decisions you signed that would give Shushkevich, (?Bartlewski), Trusaw, Spiglazaw, and Alampiyew the status of an official parliamentary delegation. But having gone to Great Britain, I do not want

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to read this document fully, I will give quotes: They spoke for 45 minutes with representatives of business and political circles and—you should note that this was on the eve of the decision by the IMF, where you, Mikhail Mikalayevich Chyhir, were sent by me on allocation to us of credits worth $100 million—what were those gentlemen doing in Great Britain, the state which virtually had a determining role in whether the credits would be allocated? They were criticizing through and through the policy, not just mine, esteemed deputies, but yours too. It was described in the following manner: The deviation that must be corrected in our country and it will be corrected on 14 May if the results of the elections to the parliament are not falsified. Therefore, esteemed gentlemen, we are asking you to send observers. We are not capable of carrying out our own elections. Further, there is censorship in the Republic of Belarus and blank spaces are again in newspapers. The reforms in the economy are not carried out and so forth. And as for the credits: One should not grant credits to Belarus. In the military sphere, a policy is being implemented that contradicts the laws adopted by the Supreme Soviet and the recent agreement signed with Russia on leasing military facilities and so on and so forth contradict the Constitution. The subject matter is the collective security treaty.

Let me ask Mr. Shushkevich, if he is present, just one question: Tell me please who signed the treaty on collective security? Lukashenka or Shushkevich? [preceding two sentences in Belarusian] You signed it. I am forced to observe it and to comply with it. But I was one of the most active supporters of the signing of that treaty, and I am not disowning it. I will sacredly fulfill each point of the treaty that you signed. But you should not incite people that Lukashenka will send our children tomorrow to Chechnya, [preceding seven words in Belarusian] as Paznyak says, or somewhere else. Esteemed deputies, I have stated more than once—and the documents that I signed within the CIS and other documents are available, you can obtain the originals from Karatchenya. It says that our boys should not be sent outside Belarus without authorization, without permission. Our interests are here and our boys will never go outside the borders of Belarus. Therefore, do not frighten people. Fine, if it is not clear here, there is more further. You are a deputy, you, like a president, as (?Vadim Mikhailavich) said and many others, [name indistinct], are responsible like the president of our republic.

Here is esteemed.... [pauses] again minister of foreign affairs Syanko's report to the president: The esteemed Zyanon Paznyak, the main contender to legislative power from his party, the leader of the opposition, promises to break the links of Belarus with Moscow as soon as he comes to power. Belarus risks bringing on itself the rage of Russia and breaking links with Moscow in the event of the victory of the Popular Front on 14 May, stated the front's leader, Zyanon Paznyak, who is becoming increasingly popular and on the invitation of the government meets members of parliament in London: We must prepare our people to a siege from Russia. What siege? You deserve to be closed just for that so that you will stop poisoning the heads of this nation. What siege are you talking about? Further there is speculation on military facilities. Everything to snub Russia. You do not like to hear it. Do not listen. Further on symbols, on Chechnya, Afghanistan, and so on. And everything to snub.... [pauses] I could make more copies of this document, if you are interested. [passage omitted]

[Unidentified deputy, in Russian] [passage omitted] And the second question, Alyaksandr Rygoravich: I watched your speech on Constitution Day, on 15 March, and either it was my imagination or [words indistinct] you said that these laws, meaning the laws on the Supreme Soviet and the president, will not be observed. Is it true that you plan to do that?

[Lukashenka, in Russian] Those laws, esteemed Yevgeniy, which contradict the Constitution will not be implemented [words indistinct] decision of the Constitutional Court. [passage omitted]

Deputies' Reactions to President

WS2403090795 Minsk ZVYAZDA in Belarusian 22 Mar 95 p 1

[BELINFORM report: "Everybody Is Eager To Attack. Who Will Retreat First?"]

[FBIS Translated Excerpt] The president's address to deputies scheduled for 21 March has been delivered. As expected, Alyaksandr Lukashenka again rocked the already troubled Oval Room.

The president's speech was broadcast on national television and radio. The text has also been published in newspapers. It thus makes no sense to recite it word-for-word, and, in our opinion, it is much more interesting to report on the events which followed the speech.

"There is a limit to any degree of patience"—this was the first laconic statement voiced after the president's speech. In many respects, deputies categorically opposed Alyaksandr Lukashenka. This became clear immediately after the first questions were voiced from the rostrum. All of them held an implied meaning.

In particular, Uladzimir Sapronaw wanted to learn what threat hanging over our country prompted the president to dismiss the chief editor of NARODNAYA GAZETA, who had been appointed by the Supreme Soviet.

Alyaksandr Lukashenka stated that he would never allow the state newspaper to become an organ of one party (judging from his speech, he had in mind the Belarusian Popular Front). The president also said that as few as two letters had been published under the "Letter to the President" rubric. Apparently, both of them were investigated, since the president cited two KGB reports. One of them, confirming that the authors of the letters were not listed as Belarusian citizens, was signed by the KGB

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chairman himself. Alyaksandr Lukashenka believes that "the letters were forged by certain sources in exchange for dollars."

Although Iosif Syaredzich, editor in chief of NARODNAYA GAZETA, again attempted to convince the president that the author [of the letter] is known, and that everybody in our Republic is entitled to their own personal opinion, the issue of the press proved to be so burning that Alyaksandr Lukashenka switched from the topic of NARODNAYA GAZETA and its chief editor to other publications... He also stated that the measures taken with regard to Iosif Syaredzich will also be applied to all newspaper editors who, in the opinion of the president, are destabilizing the situation in Belarus. To deputies' attempts to remind him that a court should make rulings on such issues, Alyaksandr Lukashenka responded in the following way: "It is a great honor for the 'venal press' to sue the president."

Finally, the issue of courts continued. Alyaksandr Lukashenka told deputies that he had recommended Valeryy Tsikhinya, current acting chairman of the Constitutional Court, to the office of court chairman. This proposal was met with an ovation. This cannot be said, however, about the president's second initiative—to hold a referendum. At the end of the morning session, the president made public the questions he is going to include in the planned nationwide referendum. [passage omitted]

Parliament Rejects Proposal To Dissolve Itself

LD2403104695 Moscow Mayak Radio Network in Russian 1000 GMT 24 Mar 95

[FBIS Translated Text] The parliament of Belarus rejected today President Alyaksandr Lukashenka's proposal to finish working this week, complete whatever is to be completed, and to dissolve itself. Most deputies have voted to continue the work of the present Supreme Soviet. It has been decided that the next plenary session will take place on 10 April.

Parliament Appoints New Constitutional Court Chairman

LD2303212595 Moscow ITAR-TASS in English 2014 GMT 23 Mar 95

[By BELINFORM-TASS]

[FBIS Transcribed Text] Minsk March 23 TASS—The Belarusian parliament appointed on Thursday former Justice Minister Valeriy Tikhinya chairman of the Constitutional Court of the republic. Deputies voted 202-2 with three abstentions for the candidature proposed by President Alyaksandr Lukashenka.

Tikhinya, 55, doctor of law, was a secretary of the republican Communist Party Central Committee. In 1990, he was elected to the parliament but had to quit when he was appointed deputy head of the Constitutional Court.

Shortage of Funds Threatens Elections

LD2303213795 Minsk Radiostantsiya Belarus International Service in Belarusian 1900 GMT 23 Mar 95

[FBIS Translated Text] At the Supreme Soviet session yesterday [22 March], Alyaksandr Abramovich, the chairman of the Central Election Commission, provided information on the progress of the election campaign. In particular he said that the 68 billion rubles allocated for those matters have not been transferred to the account of the Central Election Commission. And those funds will also have to be indexed in accordance with inflation. Alyaksandr Abramovich announced another worrying piece of news to the people's deputies: Members of some district commissions, because of the absence of funds, intend to announce self-dissolution. If the state has no money for the elections, Alyaksandr Abramovich said in his speech, they should be rescheduled. During the discussion in the Oval Hall the following conclusion was made: If the state does not finance the elections they will be financed by criminal structures and as a result we will have a criminal society.

Moldova

Government Condemns 'Destabilizing' Student Unrest

AU2303134195 Chisinau INFOTAG in English 1930 GMT 22 Mar 95

[FBIS Transcribed Text] Chisinau INFOTAG, 23/3/1995—It took the Moldovan Parliament more than two hours Tuesday [21 March] evening to consider the situation which emerged in the Republic due to the student protest actions taking place this week on the Central Square in Chisinau. The government has set up a commission headed by Deputy Prime Minister Grigore Ojog. He has informed parliamentarians that the reasons of the above actions is the Education Ministry's decision of March 16 to replace in educational establishment the history of Romanians course for the history of Moldova.

The representatives of protesters, who met with the commission, have stated that if the ministry's decision is not canceled, they shall not even discuss all the rest socio-economic demands.

"There are forces interested in destabilizing the situation in Moldova," Ojog said. He proposed to organize a nationwide referendum simultaneously with the local elections on April 16 so that "to ask people which language they prefer to speak—Romanian or Moldovan, and which history they want to learn first—their motherland's or a foreign country's."

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The minister of national security, Vasile Calmoi, has stated to the deputies that "the situation has aggravated with the help of some Parliament deputies, and the influence of the Romanian Embassy is well felt." When the opposition demanded to announce concrete proofs, the minister replied that "more than enough proofs are available."

The Moldovan Prosecutor General, Dumitru Postovan, reminded that rallies may only be organized and held with observance of appropriate procedures. Blockading of public transport is also a public offense, he said.

The opposition deputies have claimed that Moldova has no law determining the order of organizing railies, marches and demonstrations, while the Constitution allows for such a right. The only documents stipulating the procedure, which are still in force in Moldova, are the USSR-era decree of 1988 concerning rallies and the ensuing resolution of the Chisinau Municipality dated 1989. As Postovan said, this is a sufficient legislative framework to bring the rally organizers to court, which statement caused sarcastic applause of the opposition.

"The policy of intimidation will lead you to where it has led Semion Grosu, Ivan Calin and other rulers," Valeriu Matei, leader of the Bloc of Peasants and Intellectuals, has stated to the parliamentary majority. (Grosu was the latest First Secretary of the Moldovan Communist Party in Soviet times, and Calin was Prime Minister.—INFOTAG)

"All what has been happening in Chisinau streets indicates a great disrespect for the State," Parliament Chairman Petru Lucinschi said in the forum yesterday night.

"Burning books on squares is a well-known episode from human history, and the history has already appraised it. Such a behaviour is impermissible, from moral viewpoint," Lucinschi stressed.

The speaker expressed concern about one more circumstance—"the misuse of children in political and party-organized actions." In this connection, he reminded Article 50 of the Constitution, which reads that "the misuse of minors in activities endangering their health, moral conduct, life or normal development is forbidden. Those forces who wish to further politize the society should know the consequences this may lead to: economic collapse, hatred between people, confrontation, cessation of foreign investment, and international image of Moldova as of a barbaric country," Lucinschi said.

He spoke against "the usage of street rallies as a means of solving problems in a democratic state." In his words, the Constitution, free elections and the media allow to solve all disputes democratically. "The absence of elementary order in a combination with low culture may lead to much graver consequences," he said.

"Everybody should know that there are pro-fascist forces in Moldova ready to resort to violence," Parliament Deputy Chairman Nicolae Andronic has stated.

Speaking in Parliament yesterday night, he said that "the leaders of such movements come and go, but their methods remain. They must be disrooted from our society."

"What is happening this week are not at all democratic processes. That is how instability is being developed. That is how extremist forces are preparing to come to power. Such actions will produce a situation when people will go and vote for extremities, and Moldova will lose international trust," Andronic said.

He asked the Minister of National Security to announce who the instigators of the student unrest were, and said that he himself had seen "former agents of the former KGB at the square." He does not rule out that "other actions may be under preparation" and that "a dependence may exist between the rallies and Dniester elections of March 26, so that some forces could provide fresh arguments for the Dniester separatists, namely Moldovans want to be with Romanians and wish to have the Romanian language."

Protestors Demand Government's Dismissal

AU2303133995 Chisinau INFOTAG in English 1930 GMT 22 Mar 95

[FBIS Transcribed Text] Chisinau INFOTAG, 23/3/1995—The students of Chisinau universities and institutes, lyceums and secondary schools has been continuing their rally for the third day, and it is becoming larger-scale.

From early morning Wednesday [22 March], well-organized columns of people began to arrive at the city square. By 10 o'clock, there was over ten thousand protesters. Police squads only closed the approaches to the Government building, but did not interfere into the rally. Then, the public transport traffic was closed on Stefan cel Mare Boulevard, which remained blocked till lunch time.

At about 1 o'clock in the afternoon, when lesson hours are over in most educational establishments, students began to quit the place in trained columns, exactly like in the two previous days.

The youngsters shouted: "Romanian Language!"; "Do Not Deprive Children of History!"; "Today Chisinau—Tomorrow the Entire Country!"; "Students, Unite!"; and "Stop Lying, We Want To Learn the Truth!." Alongside with these, political slogans emerged and demands to dismiss the education minister, the government and the parliamentary faction of the ruling Agrarian Democratic Party (PDAM).

At 10 o'clock, representatives of the government were supposed to meet with the student's strike committee. However, the meeting was postponed, because the student spokesmen failed to arrive in time. However, the committee members explained to INFOTAG they were late because they were providing order at the square.

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They complained that the Municipal Council, which promised to give loud-speaker buses to the students, did it with a considerable delay.

Rally Continues; No Police Interference

AU2303214995 Chisinau INFOTAG in English 2012 GMT 23 Mar 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 23/3/1995—Chisinau students and teachers are continuing their protest action. Today they gathered at the central square by 10 o'clock in the morning, like in the previous three days.

They chanted "Down with Communists!", "Down with Agrarians!", "Join us, peasants and workers!", "Students are a force!", "Unite, brother students!"

Their demands remain the same: to provide for live time at the National Radio and Television during the entire duration of the strike; to upgrade living standards of the entire population; to repay wage and pension arrears; to repay stipends to students and salaries to teachers and to raise them in accordance with the cost of the minimal consumer basket; to indexate deposits in the savings bank; to give land to peasants; to strictly observe governmental decree on privileges to students and school children in public transport.

The manifestants have forwarded a series of demands directly concerning academical process. First and foremost, to preserve the course of The History of Romanians and the Romanian Language, to grant autonomy to educational establishments, to prohibit collecting trade union membership dues from stipends.

Governmental officials continued negotiations with the strike committee today. Yesterday, the sides agreed that equal time shall be given for live appearance for the government and the committee over radio and television. As for altering the course of history and language, Education Minister Petru Gaugas has repeated that such a decision had not been signed and, hence, had not come into force.

The negotiations are going fairly hard. The government accused the strikers of failure to keep their promise: to freeze the protest action for the time of negotiations. In their turn, the strike committee members replied the government failed to keep their promise to give them live time over the television.

The student action is being joined by other population layers. Dozens of telegrammes in support of students and joining the strike were announced at today's rally before noon.

Support was offered by the opposition parliamentary factions of the Popular Front and the Bloc of Peasants and Intellectuals, who expressed hope that "the students will breathe a new life into the national liberation movement."

Solidarity with students was claimed by the staff of the Central Infectional Clinical Hospital. In their statement delivered to INFOTAG the medical workers wrote that they "cannot leave their patients alone to join the students." They are demanding to raise budget allocations for health service, and reserve a right to undertake mass-scale actions of protest.

The document, signed by the chairman of the strike committee, Yuri Klimashevsky, reads that "the economic crisis is a very painful blow on the entire population, and the current leaders, instead of solving economic problems, have plunged into the anti-national processes of creating ethnic autonomies, distribution of our ancestors' lands, legitimizing lies in the Constitution, and inventing new languages and nations."

The protest action shall last till all the students' demands are satisfied, stated members of the strike committee at a press conference Thursday.

Committee chairman, University Professor Anatol Petrencu, has stated that the governmental commission assigned for the negotiations is not authorized to solve the demands. That is why the negotiations have been suspended. Committee members have addressed to President Snegur with a request to consider their requirements.

"The commission is not showing any good will. Their chief aim is to bring the students back to class rooms, and not to consider the demands seriously," Petrencu claimed.

The committee members said that the action, started at the Moldovan State University, is becoming a mass-scale event, and may develop into a social revolution.

Chairman of the Moldovan Youth League, Oleg Cernei, considers it quite normal that "some political forces have expressed support to us." In his opinion, this is an evidence that "the society still has healthy forces which care about people's interests."

The youth leader said the police did not interfere into the rally, having put all responsibility for possible accidents upon the manifestants.

"That is why we organized support groups who are providing order at the square, and preventing possible provocations. So far, our manifestations are going in a well-organized, correct way," Cernei said.

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Kazakhstan

Prime Minister Meets With IMF, World Bank, Chevron

LD2403100495 Almaty Kazakh Television First Program Network in Russian 1500 GMT 23 Mar 95

[FBIS Translated Text] During his official visit to the United States, Prime Minister Akezhan Qazhygeldin met with the Chevron Corporation's vice president (Boone). The two sides noted the real developments in attracting foreign investments to Kazakhstan's oil and gas sector.

Akezhan Qazhygeldin visited the World Bank headquarters and met with the bank's vice president (Sven) Sandstrom. Among other agreements, the bank's intention to participate in restoring the Novouzenskiy oil deposit was confirmed.

Akezhan Qazhygeldin met with U.S. Secretary for Energy Hazel O'Leary. Issues concerning the preservation of national security, defense industry conversion, and developing Kazakhstan's power industry were the main topics discussed during the conversation. An agreement was reached on creating an appropriate structure for coordinating the two countries' efforts in this field.

The Kazakh prime minister met with representatives of U.S. business circles at the office of the Corporation of Overseas Private Investments, headed by (Harkin). During the meeting, Qazhygeldin named specific projects in which participation would be profitable for all possible partners.

Akezhan Qazhygeldin also had a conversation with Michel Camdessus, director of the International Monetary Fund; Chief of the National Economic Council Robert Rubin; and (Notte), chairman of the Mobil Oil Corporation.

Deputy Prime Ministers Meet Europarliament Delegation

LD2403101395 Moscow ITAR-TASS in English 0904 GMT 24 Mar 95

[By KAZTAG correspondent Gennadiy Lunev]

[FBIS Transcribed Text] Almaty March 24 TASS—Kazakhstan's First Vice-Premier Nyghmetzhan Yesengharin, and Vice-Premier Imangali Tasmagambetov received a visiting European parliament delegation led by Carlos Robles Piquet, chairman of the Europarliament committee, here on Friday [24 March].

Yesengharin highly appreciated the Europarliament's assistance being rendered to Kazakhstan under the European Union's TACIS (Technical Assistance to CIS countries) programme in the training of banking personnel, the education of students, and other fields.

During the meeting the foreign guests were told about about economic reforms in the republic and difficulties in the reform process.

The Kazakh side said it is also interested in the republican specialists' being given an opportunity to study the experience of leading European countries in social insurance, the founding of medium-sized businesses, the setting up of enterprises to turn out basic necessity items and the processing of farm produce.

For his part, Carlos Robles Piquet emphasised that the delegation is satisfied with the fact that Kazakhstan fruitfully uses the europarliament's technical assistance and consulting and expressed the Europarliament's readiness for further cooperation with the republic.

Kazhegeldin on Referendum, Constitution

954F1861A Almaty EKSPRESS-K in Russian 21 Mar 95 p 2

[Nail Ishmukhametov report on news conference given by Prime Minister A. Kazhegeldin on 18 March: "A. Kazhegeldin Utterly Dislikes the Constitution. But This Is His Personal Opinion. And Personal Concern?"]

[FBIS Translated Text] *On 18 March, on Day Seven of the latest 100 days of the new Cabinet of Ministers, its leader, A. Kazhegeldin, "erupted" in a news conference for the mass media. This is what the prime minister said:*

The New Government and Its Policy

According to the premier, the former government was in retirement for 2 hours 53 minutes.

There have been no serious personnel changes in the new government. As prime minister, he was not prepared for a new Cabinet of Ministers. Personnel leap-frogging would not help, and there should be no question of a change of team as yet: Neither society nor the Cabinet of Ministers are as yet prepared for this. I am entirely satisfied with those with whom I work and with what we intend to do henceforward and with what we have already done. Note: Just a year ago even we could not have dreamed that quotas and licenses would have disappeared, just a year ago credit regulators and distributors were operating. We no longer have any of this, it has already gone. I am certain that any licensing system necessarily leads to malfeasance. We want to liberalize all relations concerning the economy.

Reform of the enterprises and economic recovery will continue. All the necessary economic legislative acts are ready, some of them will be returned from offices of the Supreme Council, and we intend to introduce them: to impart to them the force of law by presidential edicts.

We intend to speed up the privatization process. The Cabinet of Ministers' rush to complete the "pik" privatization should under no circumstances be identified with a winding down of this program. We cannot prolong for two years the pleasure of the exchange of PIK

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[privatization investment coupons] belonging to the citizens for shares of enterprises. Because the citizens would not understand what kind of formal procedure this was. All citizens are interested in dividends, those that were promised at the start of privatization. And for the dividends to be obtained it is necessary to complete this formalism going by the grand name of "pik" privatization as quickly as possible. It will produce no money for the economy. It is merely the division of property for all equally, and this work cannot be dragged out. Financial privatization is needed to attract investments to the economy. The funds that are not prepared for this are, naturally, nervous. But the law will not be broken.

The Government's 'Bumps' on the Head Following the Dissolution of Parliament

These "bumps" rained down on me earlier, on the part of the Supreme Council also. Only this "bump" was called an "unprepared bill." All those that passed through the Supreme Council were prepared in the depths of the Cabinet of Ministers. Nothing has changed.

Shock Therapy and the People's Patience

We cannot apply to Kazakhstan the shock therapy of Balcerowicz and that which the Balts have partially modeled for themselves because the time for this has been hopelessly lost. There never was shock therapy in Kazakhstan. To my great regret, there has been no therapy in Kazakhstan's economy at all. We are attempting to apply it.

I am perfectly well aware of people's impatience. The fight against inflation should be attended all the while by a rise little by little in personal income. This is what is most difficult for us, for our government. We have one self-interest—we want to implement these reforms. Or make them irreversible, at least. The reforms will take many years. We will hardly obtain such a carte-blanche. But in 1995 we will try to show that we will pursue the policy that we have declared.

The Supreme Council and Changes to the Constitution

If we are talking about democracy, about the primacy of the law, why are we taking what has happened hard? Were the government to resign, and the fate of those who were in the government had not been decided, everyone would, for some reason or other, take this calmly. If the Constitutional Court, the highest criterion of the law, has suddenly declared that the body that we had is no longer entitled to engage in law-making, why should we view this as such a tragedy? This is how it all is: I am for the law, but let these bad things happen to anyone you like, but not me. You think we took great pleasure in tendering our resignation on 11 March? After all, some of us were left behind, and I, as prime minister, could have been left on the platform and not made it into the compartment.

One hundred thirty-six deputies of the last convocation collected their labor books and found work. Some went home, some will work in the executive authorities. Quite a large number—approximately two dozen—will work with us. We invited very sensible people. I personally invited them. And many have agreed. I thank them for this.

We need to take a calm view of all this. A normal process is under way. The sole inconvenience connected with this is the need to spend money on new elections. Many people in society are saying: Is this worth it? It is! Society cannot live without a parliament. We must necessarily elect one. But it seems to me that we must reform the constitution. I utterly dislike it—I am speaking personally, not as prime minister. And the law on elections needs to be reformed also.

I would like to say as a citizen that the future deputies should not have immunity from criminal liability.

I would very much like the future parliament to be, truly, a parliament. And nothing more. People are tired of living in a state where there is a collective prosecutor, collective police officer, collective politician, collective economist—what you will. As soon as you start to sort out who specifically is what, you can understand nothing. Unless the system and the place of parliament in the system of power are perfected, it could become a second Communist Party of Kazakhstan Central Committee. This is a danger.

Referendum

I may say one thing that is obvious: It is quite impossible to make any revisions to the constitution without a referendum. Whence, consequently, a referendum is possible. When, how, with what questions are not within my competence.

The Budget

It has remained unchanged. Funds for possible elections are the only exception. Some 346 tenge are set aside for contingencies. Expenditure on elections could prove far greater.

Edict on State Property Committee

954F1865A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 21 Mar 95 p 2

["Edict of the President of the Kazakhstan Republic: On Reorganization of the Kazakhstan Republic State Committee for State Property"]

[FBIS Translated Text] With the aim of improving the processes of transformation of property relations and of ensuring the effective management of state property, I decree:

1. To reorganize the Kazakhstan Republic State Committee for State Property by dividing it into the Kazakhstan Republic State Committee for the Management of State Property and Kazakhstan Republic State Committee for Privatization.

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2. That the Kazakhstan Republic Cabinet of Ministers shall:

draw up and approve within one month the Statute on the Kazakhstan Republic State Committee for the Management of State Property and on the Kazakhstan Republic State Committee for Privatization;

decide matters involving the legal assignment of property of the Kazakhstan Republic State Committee for State Property;

submit proposals for the introduction of amendments and additions to existing legislation, and bring decisions of the Kazakhstan Republic Government into conformance with this edict;

draw up proposals for the introduction of amendments and additions to the national program of destatization and privatization in the Kazakhstan Republic for 1993-1995 (Phase II), confirmed by Edict of the President of the Kazakhstan Republic No. 1135, dated 5 March 1993, "On the National Program of Destatization and Privatization in the Kazakhstan Republic for 1993-1995 (Phase II)" (SAPP RESPUBLIKI KAZAKHSTAN, 1993, No. 7, Art. 83).

3. To replace, in the listing of central organs of state government confirmed by Edict of the President of the Kazakhstan Republic No. 1220, dated 9 June, "On the Listing of Central Organs of State Government" (SAPP RESPUBLIKI KAZAKHSTAN, 1993, No. 19, Art. 225), the words "Kazakhstan Republic State Committee for State Property" with the words:

"Kazakhstan Republic State Committee for the Management of State Property";

"Kazakhstan Republic State Committee for Privatization."

4. This edict enters into force as of its date of publication.

[Signed] President of the Kazakhstan Republic N. Nazarbayev
Almaty, 18 March 1995

* * *

Sarybay Sultanovich Kalmurzayev has been appointed chairman of the State Committee for the Management of State Property by edict of the president of Kazakhstan.

Constitutional Court Supplementary Ruling

954F1808A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 16 Mar 95 p 3

["Supplementary Ruling of the Constitutional Court of the Republic of Kazakhstan"]

[FBIS Translated Text] Almaty—The Constitutional Court of the Republic of Kazakhstan—consisting of its chairman M.T. Baymakhanov, deputy chairman I.I. Rogov, secretary A.M. Nurmagambetov, and judges L.I. Basharimova, K.D. Dzhalmukhanbetov, S.A. Kasimov, G.V. Kim, V.A. Malinovskiy, and S.F. Udartsev—in an executive session for interpreting the decree of the Constitutional Court of 6 March 1995 regarding the suit of citizen T.G. Kayatkovskaya, having considered the inquiry of 11 March 1995 from President of the Republic of Kazakhstan N.A. Nazarbayev, the individual obliged to execute the decision on the case, "On Verification of the Constitutionality of the Decree of the Central Election Commission of the Republic of Kazakhstan of 17 December 1993, 'On the Formation of Electoral Districts for Elections of Deputies to the Supreme Council of the Republic of Kazakhstan,'" with respect to the formation of Abylaykhanovskiy Electoral District No. 12 of the city of Almaty; Point 1 of Appendix No. 1 to the decree of the Central Election Commission of 11 January 1994, No. 30, "On Making Changes to the Forms of Election Ballots for Elections of Deputies to the Supreme Council of the Republic of Kazakhstan"; the letter of the Central Election Commission adopted by the decree of the Central Election Commission of 1 February 1994 to district and precinct election commissions, "On the Organization and Procedure for Voting and Tallying the Results of the Voting in Elections of Deputies to the Supreme Council From the State List and the Results of the Elections of Deputies to the Supreme Council From the Territorial Electoral Districts of 7 March 1994," with respect to the procedure for counting votes,

HAS ESTABLISHED THAT:

Because of the fact that the decree of the Constitutional Court regarding the case of citizen T.G. Kvyatkovskaya will take effect on 6 March 1995, President of the Republic of Kazakhstan N.A. Nazarbayev, as the individual obliged to implement the decision of the Criminal Code, has submitted a request for clarification of a number of provisions of said decree and the legal consequences ensuing from it.

Based on the first, third, fourth, sixth and seventh provisions of the Fundamentals of the Constitutional Structure, Articles 75, 78, 95, 96, 101, 130, and 131 of the Constitution of the Republic of Kazakhstan, Articles 1, 2, 10, 11, and 15 of the law "On the Constitutional Court of the Republic of Kazakhstan," Articles 1, 3, 14, 25, 26, and 28 of the law "On Constitutional Court Proceedings in the Republic of Kazakhstan," the Constitutional Court

HAS RULED:

The following interpretation of the decree of the Constitutional Court of 6 March 1995 regarding the case of citizen T.G. Kvyatovskaya shall be submitted to the president of the Republic of Kazakhstan.

1. In compliance with Article 131 of the Constitution of the Republic of Kazakhstan, the declaration of the unconstitutionality of the acts of the Central Election

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Commission indicated in Point 1 of the decree of the Constitutional Court of 6 March 1995 nullifies them on the territory of the Republic of Kazakhstan and also other acts of the central and other election commissions based on them as well as acts of other state organs related to the formation of the Abylaykhanovskiy Electoral District of the city of Almaty and the conducting of elections in it, and also the tallying of the results of the voting and the registration of deputies of the Supreme Council elected in all electoral districts and according to the state list of 7 March 1994 and 22 January 1995.

The creation of electoral districts that differ significantly in terms of the numbers of voters does not ensure the equality of citizens established by Articles 109 and 111 of the Constitution of the Republic of Kazakhstan when they are participating in elections of deputies to the Supreme Council, both as voters and as candidate deputies. This has also led to a failure to meet the requirements of Part 2 of the "First" provision of the Fundamentals of the Constitutional Structure and Article 1 of the Constitution of the Republic of Kazakhstan concerning guarantees of equal rights of all citizens.

Each voter in a single-mandate electoral district was given a chance to cast for candidates running to be deputies of the Supreme Council not one vote, as specified by Article 111 of the Constitution of the Republic of Kazakhstan, but several, right up to a number equal to the number of candidates included on the ballot, which is the grossest violation of the Constitution.

The Central Election Commission of the Republic of Kazakhstan, having adopted by the decree of 1 February 1995 the letter "On the Organization and Procedure for Voting and Tallying the Results of the Voting in Elections of Deputies to the Supreme Council From the State List and the Results of the Elections of Deputies to the Supreme Council From the Territorial Electoral Districts of 7 March 1994," which was of a normative nature with respect to the clarification pertaining to the procedure for counting votes, exceeded its authority and thus violated Article 60 of the Constitution of the Republic of Kazakhstan.

The admitted violations of the Constitution of the republic occurred throughout the entire territory of the Republic of Kazakhstan and affected equally the constitutional rights of all citizens making up the electorate.

2. The legal consequence of the decree of the Constitutional Court of 6 March 1995 is the unconstitutionality of the authority of the Supreme Council elected on 7 March 1994 and also the deputies elected to the Supreme Council in supplementary elections on 22 January 1995. Under the conditions of the absence in the republic since 19 April 1994 of a legally elected Supreme Council, for the period until the election of new legitimate members of parliament the law of 10 December 1993 "On Delegation of Temporary Additional Authority to the President of the Republic of Kazakhstan and the Chiefs of the Local Administrations," which grants the president of the Republic of Kazakhstan the right to adopt decisions of a legislative nature and other authority, shall be enforced again.

3. The law of 10 December 1993 "On Delegation of Temporary Additional Authority to the President of the Republic of Kazakhstan and the Chiefs of the Local Administrations," stipulates that the president shall promulgate acts with the force of law "on the basis of and in execution of the Constitution."

The right of the president of the republic to promulgate acts with the force of laws, including constitutional ones (which include particularly the Election Code in the Republic of Kazakhstan) and make changes and additions to them is based on the fact that

Article 1 of the given Law that was cited does not specify which acts with the force of law the republic president shall have the right to promulgate;

from the right established by Article 3 of the given Law of the president of the republic to independently exercise the authority established by Point 7 of Article 78 of the Constitution of the Republic of Kazakhstan to promulgate the corresponding act with the force of constitutional law and, hence, the right to promulgate acts with the force of constitutional laws.

4. The adoption of the decree of the Constitutional Court of 6 March 1995 regarding questions of the formation of electoral districts and methods of counting votes and determining the results of the elections entails the need to hold special elections of all deputies of the Supreme Council.

The grounds and procedure for scheduling the elections to the Supreme Council in its full composition are regulated by Article 57 of the Election Code of the Republic of Kazakhstan. The justification for scheduling elections to the Supreme Council is the completion of the constitutional term of office of the deputies of the Supreme Council unless otherwise established by the Supreme Council of the Republic of Kazakhstan. In compliance with the restoration of the force of the Law of 10 December 1993, said authority of the Supreme Council has been transferred to the president of the republic.

As follows from Article 57, the date of the elections to the Supreme Council shall be determined by the president of the republic when scheduling elections only in compliance with the requirements of Article 116 of the Constitution (on the fact that the dates of elections of deputies to the Supreme Council and the president of the republic must not coincide). It does not establish any restrictions on the dates for holding the elections.

Articles 67 and 68 of the Election Code regulate the specific situations: Article 67—repeat elections (if the elections have been declared null and void in view of the necessary number of voters [as published] or if the elections have been declared null and void because only

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one candidate ran and he was not elected), and Article 68—elections are held to replace deputies who have left (in cases of early termination of deputy office established by Article 7 of the law "On the Status of People's Deputies in the Kazakh SSR"). In this case, according to Article 67 the elections will be held "no later than two months after the preceding elections," and according to Article 68—"in the corresponding electoral districts within three months of the time of the departure of the deputy." Thus, the dates for scheduling and conducting elections envisioned in Articles 67 and 68 do not apply to holding special elections to the Supreme Council.

The Constitutional Court thinks that when determining the dates of the elections to the Supreme Council, the president of the Republic of Kazakhstan must proceed from the need to conduct broad preparatory work, including the creation of the corresponding legal acts, the adjustment of election legislation, and also the implementation of all-encompassing organizational-technical measures.

This ruling shall not be subject to appeal.

[Signed] Chairman of the Constitutional Court of the Republic of Kazakhstan M. Baymakhanov
Secretary of the Constitutional Court of the Republic of Kazakhstan A. Nurmagambetov

Crisis Following Court Decision Analyzed

954F1839A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 18 Mar 95 p 1

[Article by Elmira Pashina, KAZAKHSTANSKAYA PRAVDA correspondent: "A Passionate Ten Days About a Parliament That Is Not...."]

[FBIS Translated Text] Ten days have passed since the Constitutional Court (KS) declared the elections to the Supreme Council and, consequently, parliament itself, illegitimate. The other day in an exclusive ITAR-TASS interview, President N. Nazarbayev acknowledged that such an unprecedented decision was like "a bolt out of the blue" for him.

There is no need to doubt the sincerity of the chief of state, if only because within a day; i.e., 8 March, he filed an objection to the decree of the Constitutional Court, conforming to Article 131 of the Constitution. In addition, regret over what had occurred is also visible in his direct statement about the fact that constructive work has been organized in parliament and the executive authority since the end of last year.

The next day—9 March—A. Kekilbayev, the speaker of the Constitutional Court, appealed with a similar objection.

It seems that the culmination of the development of events came on 10 March, when the Constitutional Court turned down both of these objections, subjecting the deputies to shock and the voters to a state of confusion. They began to talk distinctly about a crisis of authority.

We recall how those who are unaccustomed to unusual situations agonized on 11 March in anticipation of the president's "word to the people." There was no word, and many hastened to accuse the chief of state of indecision. But for us, as in childhood, coming out of a black-and-white movie, we were impatient to receive a direct answer to a direct question: "Who are you for: for the 'Reds,' or for the 'Whites'?"

And only from the position of the present day do the actions of the president on 11 March look not only logical, but the only possible ones. As the guarantor of compliance with the Constitution, he appealed to the Constitutional Court with a question on the legal consequences of the decree of the Constitutional Court of 6 March: Does the decree adopted by the Constitutional Court confirm the unconstitutionality of the previous elections, and, consequently, the powers of parliament as well? If "yes," then who is assigned the right to make decisions of a legislative nature?

After examining the president's question, the Constitutional Court confirmed the unconstitutionality of all of the deputies of the Supreme Council. At the same time, it gave an explanation in the context of the law concerning the temporary delegation of additional powers to the president of the republic and the chiefs of local administration.

What happened, happened: The fact of the unconstitutionality of the Supreme Council received the final legal confirmation. But the president demonstrated a profound respect for the law to his people, who are accustomed to living in an atmosphere of legal nihilism. The Constitutional Court courageously declared its right to independence for the first time. Obviously, some time will be required to realize to the end the irreproachability of the behavior of the two main "figures" in the state—the Constitutional Court and the president; an irreproachability that a part of the parliamentarians have still been unable to discern through a curtain of resentment.

In this connection, that enviable obstinacy of the deputies that they demonstrated in the selection of a "whipping boy" seems strange. What have the Constitutional Court or the president got to do with this?

After all, it was clear from the very beginning: The Central Election Commission is to blame. Obviously, realizing their failure, all of its members resigned the other day.

It would seem that the situation has been more or less cleared up. But only not in the parliamentary corridors, having moved to the kitchen. The agony that started within the walls of the Supreme Council on 11 March is making itself felt even today. It was on that Saturday that

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the parliamentarians diagnosed themselves: a split personality. Otherwise, how is one to explain that while fighting not very long ago for a moratorium on a change to the Constitution, they very quickly violated this same moratorium. After the proclamation of the decree of the Constitutional Court, they introduced changes to the Constitution in quick order, thereby suspending the activity of the Constitutional Court.

....In a telephone conversation held three days ago, ex-Deputy Ilyasov reported that he will join colleagues Chernyshov and Kuanyshalin and is starting a hunger strike for an indefinite period. More than 70 deputies announced a three-day hunger strike as a sign of protest against the decision of the Constitutional Court.

The actions of the ex-deputies can be interpreted in different ways. And then, after all, it is no secret that no two deputies are alike. For some, what happened was sincere anxiety over the future of the state: Will we not slip into a dictatorship? For others—it was an enormous insult to themselves and their colleagues, and as a conclusion: They exposed us, and they found a "scapegoat." Still others are diagnosed with an awakened instinct for self- preservation: Suddenly it will be necessary to answer for hands that are not entirely "clean." Be that as it may, there is also a worldly factor in all of this. It is necessary to feed the family, what kind of work will be offered, and will there be enough prestigious places "under the sun" for everyone?

In the context of the development of events, the position of V. Chernyshov, a deputy to whom money is of no interest, is that much more incomprehensible. Without belittling his virtues, it would be nice to get an answer: When were you sincere, Vladimir Vasilyevich? Last year, when you came out in the pages of KAZAKHSTANSKAYA PRAVDA with a demand to declare the elections unconstitutional, or today, when the declaration went through, but you suddenly went on a hunger strike as a sign of protest?

When passions are seething, questions, as a rule, are left without answers. To hell with them, with answers. But some deputies should revise their ideas and behavior and define themselves from the standpoint of expediency and the realities of the current moment.

The position of many ex-parliamentarians looks logical against the background of the confrontation that has taken shape. Rejection of the decision of the Constitutional Court and anxiety over the future of society—all of this is so. But there is still common sense and a sense of responsibility. It is they, those who are undeservedly hurt by the zigzag of history, but who were able to make a choice, who are meeting their constituents today, appealing to them for calm and self-control. It is they, "sacrificing their own interests for the general good," who do not tire of explaining to the people why it happened this way, and not some other way, and who are defending the position of the president as the only possible one under the circumstances that arose.

We have now been officially notified about the costs of the elections and then about the fact that not all of the deputies were elected by the people. But it is insulting for those of them whom we elected consciously. Who will come in their place? For example, in place of Tatyana Silkina from Akmola, who succeeded in inspiring hope in a countless number of soldiers' mothers and guaranteeing moral and material support to those whose sons will never come back to their family home.

On the threshold of the impending elections, and they will be held without fail, we should probably be more vigilant and more far-seeing in order not to overlook those who are ready as before to defend our laws and interests in the new parliament. But in the meantime, it is necessary for us to live according to the Basic Law—the Constitution, under the "patronage" of the president. How? Time will show. At least, he will also have to answer for it.

Decree on Urgent Measures Against Crime

954F1837A Almaty SOVETY KAZAKHSTANA in Russian 18 Mar 95 p 1

[Decree of the president of the Republic of Kazakhstan: "Urgent Measures To Fight Crime and Strengthen Law and Order"]

[FBIS Translated Text] Despite the legal and organizational measures that are being adopted, the crime situation in the country remains adverse. Organized crime is assuming dangerous proportions, and the number of acts of extortion, contract killings, and attempts on the life of police officers are growing. The low efficiency of the fight against crime is engendering in society doubt as to the capacity of the state authorities for ensuring the safety of the citizens and defending their constitutional rights.

The Cabinet of Ministers of the Republic of Kazakhstan, the heads of the local administrations, and the leaders of the law enforcement and judicial authorities are failing to ensure in full the execution of acts of the president of the Republic of Kazakhstan on questions of a strengthening of state discipline and the fight against crime.

For a strengthening of law and order and the effective defense of the personal and property rights of the citizens, I RESOLVE:

1. To deem inadequate the work of the Cabinet of Ministers of the Republic of Kazakhstan and the law enforcement and local executive authorities on compliance with the requirements of the laws and acts of the president of the Republic of Kazakhstan on questions of the fight against crime.

2. That the Cabinet of Ministers of the Republic of Kazakhstan, heads of the local administrations, and the leaders of the law enforcement authorities shall:

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provide for the universal realization of the operational-preventive measure "Law and Order" announced by Directive of the President of the Republic of Kazakhstan 2082 of 13 March 1995:

provide on the basis of the principles of legality and observance of the rights of the citizens for the inevitability of the punishment of offenders under criminal and administrative law;

intensify the fight against drunkenness and drug addiction, manifestations of hooliganism, pornography, prostitution and pimping, extortion, and violations of the rules governing currency transactions;

organize prior to 15 May 1995 the voluntary surrender of firearms and bladed weapons, ammunition, and explosives held illegally by the public with release from criminal liability in the procedure established by law. Ensure upon the expiration of the said time frame the application to persons who have not complied with this demand measures of punishment in accordance with legislation;

in order to strengthen law and order, to introduce around-the- clock patrolling by the police authorities in conjunction with Army details on the streets, in housing estates, and in the areas of stations, airports, cultural-spectator establishments, and other public places.

3. That the procurator general, the Ministry of Internal Affairs, and the Committee for National Security of the Republic of Kazakhstan shall adopt all necessary measures to uncover serious crimes.

For the prompt response to instances of particularly dangerous crimes and the neutralization of criminal groups, to create a sufficient number of special mobile snatch squads of the best-trained officers, providing them with automotive and air transport, arms, and the appropriate technical equipment.

Augment numerically and materially the permanent investigation- operational group under the procurator general of the Republic of Kazakhstan.

4. To recommend that the Supreme Court of the Republic of Kazakhstan and the lower courts, in strict compliance with legislation governing criminal procedure, adopt measures for the prompt consideration of the criminal cases in the pipeline in order to exclude violations connected with the unjustified and lengthy custody of the citizens.

That the procurator general of the Republic of Kazakhstan shall organize checks of compliance with the requirements of legislation governing the time frame of the consideration of criminal cases in the courts and the execution of sentences that have acquired the force of law.

5. That the Cabinet of Ministers of the Republic of Kazakhstan shall:

provide for the unconditional fulfillment of the requirements of clauses 2, 5, and 12 of Decree 1723 of the President of the Republic of Kazakhstan of 9 June 1994, "Supplementary Measures To Ensure Legality and Law and Order," and consider the question of the liability of officials guilty of nonperformance;

create in the law enforcement system specialized treatment and preventive establishments for persons avoiding voluntary treatment for alcoholism and drug addiction, transferring for this purpose in the established procedure grounds and facilities of vacated military bases;

consider prior to 1 April 1995 the question of the clearance of the arrears in budget monies appropriated for the maintenance of procuracy, national security, and internal affairs authorities and the courts, primarily for the payment of wages and monetary and other allowances;

within a month's time prepare draft legislative instruments determining the mechanism of the transfer for the strengthening of the law enforcement authorities of up to 50 percent of the amounts of damage compensated the state and of the resources received from the sale of assets that have in accordance with a judgment of the court been made property of the state and also of all means of transport, office equipment, and means of communication confiscated from the criminals in accordance with a ruling of the court.

6. That the heads of local administrations shall:

within two weeks' time draw up in each oblast special programs of the fight against crime geared to a six-month period with their subsequent adjustment depending on a change in the crime situation, providing in them for the corresponding financial and material and technical support;

create and personally head staffs for analyzing the crime situation, coordinating actions, and formulating effective measures to strengthen law and order and defend the rights of the citizens;

in conjunction with the internal affairs authorities for a stimulation of the preventive activity of the police authorities to forestall offenses in public places, resume the work of mobile police posts and allocate for this the necessary quantity of motor transport and communications facilities;

for the establishment of close interaction with the populace devise forms of the enlistment of the public in the safeguarding of law and order and make use to this end of anonymous tip-offs, hotlines, and other methods.

7. That the procurator general of the Republic of Kazakhstan shall establish effective supervision of the precise and unswerving compliance with legality in the execution of this decree.

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8. That the Ministry of Press and Mass Information of the Republic of Kazakhstan shall provide for constant coverage in the news media of the measures adopted to strengthen legality, law and order, and the fight against crime. That the republic Television and Radio of Kazakhstan corporation shall allocate for this purpose air time on radio and television channels and organize a series of broadcasts and appearances on this subject.

9. That the republic Council for the Fight Against Crime shall ensure strict supervision of execution of the decisions of the president of the Republic of Kazakhstan on questions of the strengthening of law and order, periodically discuss the progress of their realization, and report to the head of state on the results with the submission, where necessary, of suggestions concerning the personal liability of the corresponding leaders.

10. To deem clauses 1, 3, 4, 6-11, and 13 of Decree 1723 of the President of the Republic of Kazakhstan of 9 June 1994 "Supplementary Measures To Ensure Legality and Law and Order" (SAPP RESPUBLIKI KAZAKHSTAN No. 25, 1994, item 253) to have lapsed.

11. This decree shall take effect the day it is published.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan
Almaty, 17 March 1995.

Sociopolitical Situation Analyzed

954F1840A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 18 Mar 95 p 3

[Article by I.L.: "Themis' Dreams in the Abandoned House, or What Is Troubling Messrs S. Abdrakhmanov, T. Tokhtarov, O. Suleymenov, V. Galenko, and Others"]

[FBIS Translated Text] A great humanitarian writer once observed that people very often gather in front of a house, make speeches, and condemn the powers that be, not suspecting that no one lives in that house.

Approximately the same situation may be observed in the present social and political life of the republic. Despite the fact that the Constitutional Court has deemed parliament illegitimate and that the president has been forced to consent to this ruling, certain ex-deputies, assembling meetings, appealing to the international community, and protesting in the press, are calling for people to stand for hours on end in the front of a house long since abandoned by its residents.

The house truly is empty. That same international community is stating unconditional recognition as legitimate of the actions of the Constitutional Court and giving the position of Nursultan Nazarbayev, who submitted to the law, high marks.

Not to mention the citizens of Kazakhstan, whom, to judge by press reports, have not been overly alarmed by the illegitimacy of the Supreme Council. But former members of parliament are continuing to incite passions, calling in Bolshevik fashion on perplexed Kazakhstanis to take their place at the barricades.

What is behind all this?

Having leafed closely through the files of Kazakhstani and foreign newspapers and having compared what we read with the political passions, we reached an interesting conclusion. It is that the sabers are being brandished by the members of parliament to whom the press had shown particular "generosity."

Examples? Certainly.

As reported in the news media, the Main Administration for the Fight Against Organized Crime and Corruption of the republic's MVD is investigating a criminal case on the use for purposes other than those intended of credit resources by the Yelim-ay International Environmental Foundation, which is headed by the not-unknown deputy Serik Abdrakhmanov. In 1993 the foundation received via the Tekhnopolis Bank earmarked credit of R10 billion. An enormous sum at that time. But the resources were spent by no means for a resolution of environmental problems, but mainly on commercial transactions, the clearance of the debt of various firms, and the personal aims of the foundation's leaders.

In addition, Yelim-ay entered into dubious transactions with trading associations, which upon inspection proved to be inoperative and which, naturally, did not pay off their debts. The organization managed by Mr. Abdrakhmanov used all the funds other than as intended and squandered them irretrievably on commercial deals and its own needs. Many of the accounting forms and records and primarily documents of the foundation have been lost here.

Now about the next deputy—Olzhas Suleymenov, who has long been measuring himself for the cloak of father of Kazakhstani democracy.

The newspaper TURKISTAN published an article which notes his, Olzhas Omarovich's, position on a number of problems of the republic's social and political life. I would like, meanwhile, to recall that this poet and citizen has been preeminently successful not only in the political but also in the commercial field. The Interkaspiy Company, which was formed with his sponsorship, has in the past two years spent over $100,000 on the purchase of passenger vehicles, which have been leased without payment or transferred free of charge to other organizations. All the conditions for embezzlement and malfeasance have been created in this commercial structure.

Let us turn to another, very active, ex-deputy—the Semipalatinsk resident Tanibergen Tokhtarov. His "aggressive activity" was attracting the attention of the republic news media back in 1991. Specifically, the newspaper YEGEMEN KAZAKHSTAN reported that, having legitimately privatized a five-room apartment in Semipalatinsk, he then, with the aid of his deputy's mandate, privatized a five-room apartment in Almaty

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also. But even this did not satisfy the growing requirements of the member of the people's elect: Mr. Tokhtarov is now living in a new, quite "modest," four-room apartment. Not privatized as yet, it is true.

In addition, as chief of the oblast Health Department, the esteemed Take displayed an outstanding capacity for the manipulation of public property. In three years and six months, he contrived to sell 95 motor vehicles intended for medical needs. Not without personal profit, of course.

Journalists have used up much ink in depicting the doings and behavior of Zhasaral Kuanyshalin, Mikhail Golovkov, Zhaksylyk Shekeyev, Valeriy Galenko, and other members of the illegitimate parliament, and each time the astonished readers have discovered for themselves in their characters new facets. One permits himself insults leveled at the head of state, another questions the justice of the state and territorial arrangement of Kazakhstan. Yet another calls for separatism, a fourth, like a little child, protests an adult joke from the "Armenian Radio Reports..." series, a fifth reinvents the wheel, championing national interests, on which no one was encroaching. There is even a "statesman" who asks without a moment's hesitation: Does society really get the authorities that it deserves?

We have counter-questions to ask. Who ultimately, for example, will defend the honor and dignity of the president? Who will defend the state against encroachments on its territorial integrity? Do the people venturing upon litigation over elementary old wives' tales have a great intellectual level? And, generally, of what offense was society guilty before God, acquiring this "professional" parliament?

Many, very many invocatory words are being heard from the "old" square, which symbolizes, as it were, the times that are now called hard times. Speakers pine for the past and thirst for revanche. And their colleagues, dutiful and responsible people, have a blind faith in the "authorities" and submissively follow their lead.

What is this all about, whence this death grip with which members of parliament, "infringed in their rights," are clinging onto their seats?

Let us venture to express the assumption that some organizers of the furor would be very reluctant to be deprived of their deputies' immunity protecting them against the chastising right hand of the law.

We readily allow that in their articles and reports our journalist colleagues have laid it on thick, and [words illegible] gentlemen clean before the law. In addition, we would be sincerely pleased were the story of their involvement in unseemly business to find no corroboration—this would mean that the world is not without honest people. But the "i's" should be dotted by the investigatory authorities, and they, as always, are in no hurry....

And while Themis sleeps, having placed the Criminal Code beneath her head, the electorate—punctilious taxpayers and law-abiding citizens—is tormented by the problem of how to avoid making a mistake once again at the next parliamentary elections....

Problem of Interethnic Relations Reviewed

954F1858A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 21 Mar 95 p 4

[Interview with Tulegen Zhukeyev, secretary of the Security Council and chairman of the Kazakhstani side of the Intergovernmental Kazakhstani-German Commission, by Zhanna Zhanturina; place and date not given: "Polyethnicity—Kazakhstan's True Wealth"]

[FBIS Translated Text] **Our newspaper has repeatedly raised questions of the interaction of the nations of the republic, contributing its utmost to the democratic transformations. This theme is the subject of an interview with Tulegen Zhukeyev, secretary of the Security Council and chairman of the Kazakhstani side of the Intergovernmental Kazakhstani-German Commission.**

[Zhanturina] The problem of interethnic relations would seem today to be one of the most important. It has imbibed miscalculations in policy, the economic downturn, and the lack of resources for culture. Kazakhstan is today also "the forge of friendship of the peoples": representatives of the most diverse nations live here. The relations between them are reminiscent, possibly, of the lull before the storm. The question for you, a statesman, in this connection is this: Do we have institutions dealing with interethnic problems?

[Zhukeyev] Of course, such institutions are essential for Kazakhstan at this time. There are the corresponding structures in the Office of the President and the Cabinet of Ministers Administrative Department, which are making a direct study of interethnic and ethnopolitical processes. I head the Kazakhstani part of the Intergovernmental Kazakhstani-German Commission, whose tasks include a solution of the problems of the Germans living in the republic. You know that a multitude of national-cultural formations, which also have a direct interest in a solution of interethnic problems that are arising, have emerged with us in recent years.

Agreements were reached recently in the sphere of big policy between Kazakhstan and Russia, and this is also a step toward the regulation of national relations in the republic. Work is being performed currently on the convening of an all-republic Assembly of the Peoples of Kazakhstan. This Assembly will be represented by all the national-cultural centers of the republic. It will be a consultative-advisory body under the auspices of the president and will exert an appreciable influence on his decisionmaking.

I am sure that ways to do away with the certain discomfort that has arisen in society at this time will be found and that there will be no storms here.

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[Zhanturina] Migration from Kazakhstan is no secret. According to a recent radio report, more than 220,000 persons have left the republic in the past six months. More than half of them for the far abroad. Jews, Germans, Greeks.... The government has an interest in keeping people in Kazakhstan. What is being done for this?

[Zhukeyev] In October 1993 the Cabinet of Ministers adopted a decree which provides for a comprehensive program of the ethnic revival of the Germans living in Kazakhstan. The law "On the Rehabilitation of the Victims of Mass Political Repression," according to which the peoples, Germans included, which suffered repressive measures on political grounds and which were forcibly transported to Kazakhstan have been rehabilitated and privileges for members of the labor army, now invalids and senior citizens, were established, was adopted also.

The comprehensive program of the ethnic revival of the Germans provides for the resolution of a wide range of problems in the field of education, culture, and other spheres. The contingent of those studying German in our schools has been expanding since 1990. As of today there are 150 schools in which groups for the study of German as the native language have been organized and which have been provided with teaching aids. Contacts for the purchase of textbooks, aids, fiction and poetry, and audio and video material have been established.

The program provided for the training of German educational personnel, an invitation to teachers from Germany, an exchange of students, and the creation of joint ventures. Thus, for example, a Kazakhstani-German Academy of Economics, Law, and Engineering has opened in Pavlodar.

Much of what was planned has already been done. The journal FENIKS appears regularly, tourist contacts have been established, exchanges of students and teachers take place, and people have been recruited for the German Theatrical Academy. A German Center has opened in Almaty. It has become the headquarters of the republic Council of Germans and the center of the engineering, liberal arts, and commercial departments of the FRG in Kazakhstan. The extent of television and radio broadcasting has been increased, and so forth.

[Zhanturina] Plans, as we all know, have the habit of being executed only on paper. The migration process has not even been halted as yet.

[Zhukeyev] Yes, Germans are leaving. Whereas in 1989 approximately 900,000 of them lived here, little more than 600,000 do so now. The vast majority are leaving for Germany. The FRG is a highly developed country. The living standard there is considerably higher than ours—we are not rivals here as yet. In addition, questions of the allocation of housing, study of the language, and employment are being resolved in accordance with the program of the admittance of ethnic Germans.

But it is essential to see in the departure of the Germans the subtle underlying psychological motive also. The bulk of them were deported to Kazakhstan at the time of the Great Patriotic War. Kazakhstan has remained in the minds of many of them a place of banishment. In the years of perestroyka they presented the demand for reconstitution of the autonomy in the Volga region. This did not happen.... And now the decline in the living standard and the overall sociopsychological discomfort caused by the ethnic conflicts in various regions of the CIS.

But I shall emphasize the following point also: Together with the measures being adopted by the government we are entitled, I believe, to call for the balanced consideration and patience of the Germans themselves and to count on their civic feelings and sense of optimism. Kazakhstan gave refuge to thousands who were treated unfairly, and many of those who are now leaving were born and obtained an education here. We can conditionally call people of middle age second-generation Kazakhstani Germans. They were raised here, and many have now acquired the opportunity to go to Germany for retraining. It is these people, having returned from their industrial training, who are once again packing their bags. They are leaving without having given back to the local Germans the "baggage" of knowledge and professional skills that they acquired thanks to the joint efforts of Kazakhstan and Germany. This is why the German Music and Drama Theater is on the verge of disbandment, the schools are experiencing a constant shortage of teachers, and personnel turnover on the German newspaper and on radio and television is considerable.

The German side is assisting us actively with textbooks and audio and video material for the study of German and with educational personnel. Do you think that all this is being done so that Germans with their Russian, Kazakh, and Tatar "halves" may go to Germany? Germany has been taking certain steps as of late to ensure that the German diaspora in Kazakhstan remain.

The repatriation issue is very complex. Each repatriate costs any country a great deal of money. And it is not only a question of money. Russian Germans had a unique culture. The Kazakhstani descendants of those that immigrated at the directive of Catherine II are largely different from their ethnic relatives.

[Zhanturina] An ability to coexist peacefully with other people is a criterion of both a civilized state and each person individually. If today [words illegible], not all, consequently, is tranquil in our "kingdom." What do you think, can the leadership of the republic find civilized ways of solving the German question and of interethnic problems as a whole?

[Zhukeyev] The independent Republic of Kazakhstan is only four years old. A state has been formed, a constitution has been adopted, state institutions have taken shape, economic and political transformations have been

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accomplished, and a national currency has been introduced in this time. As far as economic possibilities allow and remembering our international commitments and moral duty to the citizens, the state and its leadership will do everything to reduce migration from the country and alleviate the psychological strain. Our main purpose in constitutional development is to ensure interethnic harmony, political stability, and social partnership.

I shall permit myself to compare the coexistence of the nations with a marriage—joint existence in a family—and to quote Goethe: "Love is the ideal, matrimony, the real: The mixture of the real and the ideal never happens with impunity."

[Zhanturina] Thank you. Let us hope for better things.

[Zhukeyev] I hope, I believe, I know that my people will find real ways to achieve a civilized peace.

Consequences of Kvyatkovskaya Suit Viewed

954F1856A Almaty PANORAMA in Russian No 11, 18 Mar 95 p 4

[Article by Andrey Solovyev: "Tatyana Kvyatkovskaya: 'The President Was Not Being Cunning When He Declared That the Suit in the Constitutional Court Almost Went Unnoticed by the Authorities'"]

[FBIS Translated Text] On 14 March journalist Tatyana Kvyatkovskaya, whose suit before the Constitutional Court took on a fatalistic aspect for the republic parliament which was a surprise to all, invited colleagues to a meeting to impart her vision of the situation as it has unfolded following the well-known events. Representatives of practically all the Almaty newspapers were present at the meeting, which gave Tatyana Kvyatkovskaya the opportunity to note that previously, during examination of the case, journalists ignored her, insofar as no one believed the matter would turn out the way it did.

Ms. Kvyatkovskaya went to the meeting with journalists accompanied by security personnel. She explained the presence of security in the fact that "vehicles with persons of Kazakh nationality" have been patrolling her house for some time now.

"Today the most varied assessments are being offered with respect to dissolution of the Supreme Council," Ms. Kvyatkovskaya stated. The assessment of deputies, for example, is that Kvyatkovskaya was nothing but a prop of the president, who once again desired to disband the parliament in order to usurp power. Many independent journalists and political experts also assert that the results of Kvyatkovskaya's legal victory, like she herself, have been used by the president. Ordinary citizens far from grand politics phone in and express joy on everyone's behalf—to the effect that truth does prevail, and can be proved, it turns out.

When the president spoke in parliament on 11 March, stating that he had not expected the decision of the Constitutional Court and that they all—i.e., the authority—skipped over this judicial process, he was not at all being crafty.

Those who desire in retrospect to see me as the prop of the president insinuate that even the judges themselves instilled in me the idea of again expanding my legal claims and requesting that not only that portion of the Central Electoral Commission decree on the formation of districts, which dealt with Abylaykhanovskiy District, be declared unconstitutional, but the entirety of the decree—Tatyana Kvyatkovskaya acknowledged. The Constitutional Court judges did indeed pose this question to me—after all, in my concluding comments I presented a comparative analysis by district. But it was a question posed really in muddled fashion. While representatives of the Central Electoral Commission literally threw themselves at me—are you saying that you have again expanded the demands of your suit? Admit it, you have in fact amplified them!

And they had in fact been amplified. But I refused to formally amplify them. Why would it be my business, in defending my personal constitutional rights, to demand that the formation of other districts be declared unconstitutional? For me it was entirely sufficient that my electoral district be brought into conformance with the requirements of the Constitution with respect to numbers of voters. Alas—is it impossible to do this without affecting other districts as well? But really—that is beyond the scope of my suit. That constitutes legal consequences of the suit, Tatyana Kvyatkovskaya emphasized.

At the same time, Ms. Kvyatkovskaya noted that she now understood that augmentation of the claims of her suit would be a salvaging opportunity for many, since there existed a great many diverse parties interested in terminating this matter.

Tatyana Kvyatkovskaya considers the results of the case to be a triumph of the spirit of the law.

The Constitutional Court adopted a plank of such scope that it is already impossible for it to subside. In Ms. Kvyatkovskaya's opinion, this sequence of events has become a marvelous opportunity for the court to stand on its feet. The case is too large-scale and resounding for the court's decision to be ignored.

Tatyana Kvyatkovskaya stated that even had her participation in last year's election turned out to be more successful for her, she would have filed suit with the Constitutional Court all the same. Today, working in the Committee on Pricing and Antimonopoly Policy, she intends to dedicate all her efforts to protecting consumers.

As a journalist, Ms. Kvyatkovskaya dreams of issuing her own publication, and has already undertaken certain efforts in this regard.

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She does not as yet have any intention of participating in the next parliamentary election.

Geologist Analyzes Karachaganak Situation

954F1860A Almaty EKSPRESS-K in Russian 21 Mar 95 p 4

[Article by Professor Saduakyas Kurmanov, chief geologist of the mining and chemical complex Geofizika and doctor of geological and mineralogical sciences: "The Karachaganak Epic Continues"]

[FBIS Translated Text] The so-called historic agreement signed 2 March of this year, which accelerates the development of Karachaganak by Kazakhstan, Agip, British Gas, and Gazprom, changes virtually nothing, in our view, because once again it is an intermediary measure which will be in effect for two to four years. The allocation of just up to $320 million in capital investments is envisaged over this time frame to support the start of development of the deposits. This is quite a modest amount when you take into account the three-year lag and total project cost of $8 billion for 40 years.

The amount stipulated corresponds to 40 percent of the average annual planning figure. In addition, it must be compensated for through extracted production output over these years. Thus, over the allocated period of time, Kazakhstan will again get absolutely nothing from Karachaganak. According to the signed agreement, long-lasting contractual terms must be drawn up over this same period with respect to other issues (transportation, exports, etc.), which will create the necessary preconditions for transition to the next stage of development. It is not known, however, when the standardized level of extraction planned by agreement participants—25 billion cubic meters of gas and 13 million tonnes of oil per year—will be attained. The share of contribution (or participation) of each partner was also determined—42.5, 42.5, and 15 percent, respectively. However, it was not indicated when the planned level of extraction of 25 billion cubic meters of gas and 13 million tonnes of oil per year will be achieved.

All of the above clearly shows a disguised attempt to drag matters out, with no end to this in sight. But the aspect of this prolonged Karachaganak epic most unacceptable and dangerous to Kazakhstan is the constant and persistent attempt by the partners to significantly understate the legally appraised reserves of hydrocarbons in the field. For example, Agip's informational annotation for the press states: "Based on studies of the data, reserves of energy raw material constitute 800 billion cubic meters of gas and 330 million tonnes of oil." In the brief reference materials of British Gas, these figures are lower still. While the gas reserve figures confirmed by the former State Commission for Mineral Reserves of the USSR Cabinet of Ministers indicate 1.345 trillion cubic meters of gas, 654.4 million tonnes of condensate, and 189 million tonnes of oil. Everyone reckoned with the decision of the State Commission, this being an authoritative organ. About 40 billion cubic meters of gas and 20 million tonnes of condensate have been extracted over the operational period. Taking the extraction into account, our future friends in development of the one and only Karachaganak are attempting to understate its gas reserves by 39 percent, and its liquid hydrocarbons—by as much as 60 percent! On what basis—is incomprehensible.

If the Kazakhstan side has agreed with such a curtailment of the reserves, we may then consider transformation of this pearl into a piece of crap as an accomplished fact, not to mention the loss of appropriate amounts of various payments. Discussion in this regard should primarily center not so much around the unwelcome "shelving" of Karachaganak as around its forced and destructive "castration."

Kyrgyzstan

Dzhumagulov Holds Moscow Economic Cooperation Talks

LD2303195495 Bishkek Kyrgyz Radio First Program Network in Russian 1400 GMT 23 Mar 95

[FBIS Translated Text] Private talks held by head of the Russian Government, Viktor Chernomyrdin, with his Kyrgyz counterpart, Apas Dzhumagulov, lasted over an hour. As was reported to the government press service, the topics of the talks between the two prime ministers mainly concerned the problems of closer economic integration of the two states, and the possibility of Kyrgyzstan joining the customs union set up by Russia, Belarus and Kazakhstan. Sources close to Dzhumagulov said that, judging by appearances, he is satisfied with his talks with Chernomyrdin.

During Dzhumagulov's two-day visit to Moscow he also met Aleksandr Bolshakov, the deputy prime minister of the Russian Government. An intergovernmental agreement on the basic principles of trade and economic cooperation between Russia and Kyrgyzstan was signed. Such important clauses as coordinating the basic principles of the economic reforms being conducted in both states, and setting up favorable conditions to develop market relations between the economic units in our countries are laid down in the agreement. Particular importance is being attached to maintaining industrial and technological relations between the producers of Kyrgyzstan and Russia. The sides will not now quote and license the delivery of goods in mutual exchanges of goods, and customs duties are now being mutually abolished for the goods of both countries.

Dzhumagulov, together with the Kyrgyz minister of industry, Andrey Iordan, and also with Yan Fisher, our representative in the CIS intergovernmental economic committee, met Valeriy Serov, the Russian Federation minister for cooperation with CIS countries. A useful and fruitful talk was held on ways to further integrate the

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economies of the two countries, to set up joint ventures, to load part of Kyrgyzstan's industrial capacity with Russian orders, etc.

Our experts are staying in Moscow to continue preparations for Kyrgyzstan to join the customs union of the three countries. A meeting of representatives from Russia, Belarus, Kazakhstan and Kyrgyzstan will be held in April in Bishkek to decide on this very important question for our republic.

Akayev To Support Private Enterprise 'in Earnest'

LD2303202695 Moscow INTERFAX in English 1757 GMT 23 Mar 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Askar Akayev intends to support private enterprise in Kyrgyzstan "in earnest". He said so on Wednesday [22 March], addressing local industrialists and entrepreneurs.

The president said he hopes that the faction of industrialists and entrepreneurs, which will be the biggest in the country's newly-elected parliament, will support the policy of economic reforms launched by the leadership of Kyrgyzstan.

Akayev promised to "demand that the government ensure the necessary stability in its excise and taxation policy which should answer to the interests of private enterpreneurs." He also finds it necessary to "support as much as possible" the trade and commerce companies engaged in creating a genuine market system.

According to the president, the development of traditional industries in Kyrgyzstan is capable of stimulating the economy as a whole. This relates primarily to the textile, leather and food industry, and to the production of such raw materials, as cotton, wool and tobacco.

Akayev hopes that the opening of new roads may fundamentally alter the situation in Central Asia and turn Kyrgyzstan, which was located in a blind alley in terms of transport until recently, into a transit country. (Interfax's note: he meant the highway going through China and Pakistan that opens this summer, and the new railway reaching the Persian Gulf through Ashgabat and Bandar Abbas in Iran, that opens next year).

The conference was attended by Kyrgyzstan's finance minister, by the head of the national committee for investment, by the National Bank governor and by the chairman of the national committee for economics.

Turkmenistan

Agreement With Pakistan To Construct Gas Pipeline

LD2303175595 Ashgabat TURKMEN PRESS in Russian 0447 GMT 23 Mar 95

[FBIS Translated Text] The Governments of Turkmenistan and Pakistan have expressed their firm intention to construct a gas pipeline with a capacity of 20 billion cubic meters of natural gas per annum. The memorandum, signed by Turkmen President Saparmurad Turkmenbashi [Niyazov] and Pakistani Prime Minister Benazir Bhutto in Islamabad, shows that Pakistan is interested in buying Turkmen gas at a price of no more than 90 percent of the cost of fuel oil with a high hydrogen sulphide content. These same price conditions are in operation with third countries that supply natural gas to Pakistan.

The gas pipeline will begin at the Sovetabad deposit, Turkmen Oil and Gas Minister Amangeldy Esenov said, commenting on the memorandum. It is clear that Afghanistan will be the transit country. Trilateral talks will be held on this question in the near future. The gas pipeline will reach the town of Sui in Pakistan. The initial period for delivering gas—30 years—was also agreed in Islamabad. Specialists from the ministry and Bridas company of Argentina, which has sufficient experience of cooperation in the Turkmen oil and gas complex, have already started preparations for a preliminary feasibility study for the gas pipeline project.

Turkmenistan and Pakistan are interested in constructing an oil pipeline as well, the route of which may follow the road of Turkmen gas to this country. Only with the difference, Esenov noted, that it will start at the Seidi oil refinery, which receives both Turkmen and Russian oil. Here Turkmenistan can act not only as a seller of oil, but also as a transit country, offering CIS states a route for their fuels to the markets of southern and southeastern Asia.

Economic Relations With Britain on Upward Trend

LD2203191295 Ashgabat TURKMEN PRESS in Russian 1515 GMT 22 Mar 95

[FBIS Translated Text] Turkmenistan and Great Britain reaffirmed their joint interest in the development of bilateral and mutually advantageous cooperation during the visit to Ashgabat by British ambassador Brian Fall. Economic relations which have become noticeably more active recently have served as a kind of catalyst in developing a political partnership which today has every chance of endurance and stability. It is obvious that the Turkmen initiative concerning the creation of a neutral peace-making zone on its territory in the Asian region will allow a new look at the future of political contacts between Turkmenistan and Europe and in particular with Great Britain.

Yet another vivid stroke in this picture is an official invitation from the prime minister of Great Britain, John Major, to the president of Turkmenistan to visit London on the occasion of the celebration of the 50th anniversary of the victory over Fascism, which was given to Saparmurat Turkmenbashy [Niyazov] by Mr. Fall.

In an interview with the TURKMEN PRESS news agency, Mr. Brian Fall noted that London officials highly

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value the foreign policy that Turkmenistan is carrying out and it seems that in the near future the British government will advance its opinion regarding Turkmenistan's new initiative. However, already today, according to the ambassador, we can speak with confidence about the positive response that this idea will receive in the whole world.

The economic foundation which has been laid at present is based above all on investing the funds of British financial circles in the power engineering complex and the communications industry. A number of well-known British companies have already expressed an intention to take part in manufacturing equipment in connection with the Transcontinental gas pipeline project "Turkmenistan-Iran-Turkey-Europe." A major British bank, Barclays, intends to allocate about $50 million to finance projects in the oil-gas industry.

By the way, according to the ambassador, that industry especially needs acute attention today, because Turkmenistan has enormous potential for its development. The principal incentive for the creation of a vigorous processing infrastructure, along with rich raw material sources, is an intensive development of agriculture in the country.

Although Great Britain is very conservative in choosing its economic partners and was not among the first countries to come to the Turkmen market, today's level of relations, according to Mr. Brian Fall, makes the business circles of both countries feel confident in the reliability and endurance of bilateral cooperation. Moreover, in the spring of this year, it is proposed to open a British embassy in Ashgabat, which will be conductive to the all-round development of Turkmen-British relations.

Uzbekistan

Uzbek Parliament Chairman Meets OSCE Delegation

LD2203182195 Tashkent Uzbek Television in Russian 1400 GMT 22 Mar 95

[FBIS Translated Text] Today a delegation of the Organization for Cooperation and Security in Europe, which is currently visiting our country and which is led by Willy Wimmer, deputy of the German Bundestag [as heard], was received by Uzbekistan's Supreme Council Chairman Erkin Khalilov. In an exchange of views during the meeting, the Supreme Council chairman spoke about the structure of the Uzbek parliament and the results of the first session of the Supreme Council, and expressed the hope that cooperation between the parliaments of the two countries will bring positive results.

Willy Wimmer conveyed greetings from the president of the Bundestag, and expressed support for the development of our economic, political, and cultural relations. Both sides also discussed issues of mutual interest.

OSCE Official Talks with Karimov

LD2303194895 Tashkent Uzbekistan Television in Uzbek 1530 GMT 23 Mar 95

[FBIS Translated Excerpt] [Passage omitted] Uzbek President Islam Karimov has met with Willy Wimmer, vice president of the parliamentary assembly of the Organization for Security and Cooperation in Europe [OSCE], and a deputy in the German Bundestag.

[Begin Wimmer recording, in German, with superimposed Uzbek translation] We had a detailed conversation with the president of your country. In the course of my duties, I had talks with the heads of many countries, and I will say one thing, that your president is farsighted, has definite aims, and is a man who has marked out the correct ways of bringing the country out of its difficult situation. I came to this conclusion during our open and friendly talks. During my visit I have also had the chance to meet other leaders of your country. I would like to express gratitude for my cordial reception, and for the friendly and all-round useful talks. I think that in the near future, Uzbekistan will certainly implement its great plans and follow its own path. I wish great success to your leaders and to the people of Uzbekistan in the implementation of these responsible tasks. [end recording]

Karimov, Egyptian Religious Affairs Minister Meet

LD2203171695 Tashkent Uzbekistan Television in Russian 1400 GMT 22 Mar 95

[FBIS Translated Text] Islam Abduganiyevich Karimov, the president of the Republic of Uzbekistan, today received Mr. Muhammad 'Ali Mahjub, the minister of religious endowments of the Arab Republic of Egypt.

[Begin unidentified correspondent recording] Welcoming the guest on Uzbek soil, the president of Uzbekistan noted that his present visit has coincided with the celebration of Navruz, which is celebrated as a nationwide holiday and symbolizes peace, friendship, and cooperation between the peoples. Muhammad 'Ali Mahjub in turn conveyed the best wishes from the president of his country, Husni Mubarak, to the president of the Republic of Uzbekistan and its people. In the course of a friendly conversation, Islam Abduganiyevich Karimov noted that, since the visit of an Uzbek state delegation to Egypt, relations between the two states have risen to a higher level both in the sphere of the economy, trade and culture, and in the sphere of moral and spiritual life. A number of issues of mutual interest were discussed.

Khayrulla Jorayev, the state advisor to the president of the Republic of Uzbekistan, Abdughani Abdullayev, the chairman of the Committee on Religious Affairs of the Cabinet of Ministers of the Republic of Uzbekistan, and Abdughani Muhammad Abdughani, charge d'affaires of

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the Arab Republic of Egypt to Uzbekistan, took part in the meeting. [end recording]

Karimov Receives German Parliamentarian

LD2303192195 Tashkent Uzbekistan Television in Russian 1400 GMT 23 Mar 95

[FBIS Translated Text] Islam Karimov, president of the Republic of Uzbekistan, today received Mr. Willy Wimmer [name as heard], the vice president of the parliament assembly of the OSCE, deputy of the Bundestag of the Federal Republic of Germany, who is visiting our republic. During the conversation, which was held in a friendly atmosphere, Islam Karimov warmly welcomed the guest on Uzbek soil and expressed the hope that relations between Uzbekistan and the Federal Republic of Germany will further develop for the benefit of both countries. Questions concerning the activity of the OSCE, and close relations between this organization and Uzbekistan, were touched upon. Mr. Hans Keilholz, The counsellor of the embassy of Germany to Uzbekistan, took part in the talks.

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Armenia

Russian Defense Minister Meets President

NC2303161195 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0801 GMT 23 Mar 95

[FBIS Transcribed Text] Yerevan ("LRAGIR", "RESPUBLICA ARMENIA", "HAYASTANI HANRAPETUTYUN" dailies), 03/23/95—Russian Defense Minister Pavel Grachev yesterday arrived to Yerevan from Georgia. He declared during a blitz interview at the "Zvartnots" airport that "There are no problems between Armenian and Russian military forces".

This visit was organized within the framework of Grachev's tour around transcaucasia. He signed a number of Russian-Georgian agreements in Tbilisi, particularly about creation of four Russian military bases in Georgia.

Later in the afternoon Grachev met Armenian President Levon Ter-Petrosyan, and discussed the details of recently signed agreement about a Russian military base in Armenia (Grachev said that Armenia is first country to sign such an agreement with Russia), as well as joint drill of Russian and Armenian forces to be held in Armavir on March 29. It was planned that Grachev would personally participate in drill, but, because of necessity of returning to Moscow this morning for participation in a session of Russian Security Council, his participation is still unclear.

Questioned about extending the geography of stationing Russian bases in Armenia, Grachev provided a negative reply. He said that main dislocation [location, or deployment place] of the base is Gyumri, its several subdivisions would be stationed in other strategically important districts of Armenia, including Yerevan.

Purpose of Grachev Visit Discussed

NC2303142795 Yerevan SNARK in English 1709 GMT 22 Mar 95

[FBIS Transcribed Text] Yerevan, March 22 (SNARK)—In the evening of March 22 Russian Defence Minister Pavel Grachev arrived in Yerevan from Tbilisi by a special flight. The General of the Russian Army informed the journalists at "Zvartnots" airport that his two-day visit to Armenia has three aims.

Firstly, he wants to start concrete activities according to the treaty signed by the Armenian and Russian Presidents six days ago on Russian military base in the territory of Armenia, which, according to him, is successful and first in its kind in CIS.

The second aim of Pavel Grachev's visit is to carry out measures on establishment a unique system of anti-aircraft defence. The decision on this issue was adopted at the Alma-Ata meeting of the CIS country leaders.

The third aim is to discuss some military and political questions with the President Levon Ter-Petrosian on the instructions of the President Yeltsin.

A large group of Russian Generals and Officers, who will directly participate in a set-up of the above mentioned base in Gjumri and in the joint military exercises in Hoktemberian, has arrived in Armenia with the Defence Minister.

On the same evening the Armenian President Levon Ter-Petrosyan received Pavel Grachev. The meeting passed behind the closed doors.

Joint Armenian-Russian Military Exercise To Begin

NC2403080895 Yerevan Armenia's Radio First Program Network in Armenian 1950 GMT 23 Mar 95

[FBIS Translated Text] The first joint Armenian-Russian military exercises will begin at the Armavir [formerly Hoktemberian] training center on 30 March. Fedor Reut, commander of the Russian military unit in Transcaucasia, will command the military exercises.

In keeping with the joint program on military exercises on the 50th anniversary of the victory over Fascism, Armenian Defense Minister Serzh Sargisian and Fedor Reut this afternoon visited the military camp in Armavir, where preparations are under way to hold the Armenian-Russian military exercises.

Georgians To Attend, Turks Not Invited

NC2403103295 Yerevan SNARK in English 1545 GMT 23 Mar 95

[FBIS Transcribed Text] Yerevan, March 23 (SNARK)—"Active stage of joint Armenian-Russian military exercise on the territory of Armavir (formerly Hoktemberian) region of Armenia will start March 29 [date as received]," the General Staff Commander of Armenian Defense Ministry, Maj. Gen. Mikayel Harutyunyan informed the SNARK correspondent.

According to Gen. Harutyunyan, on this very day combat fire from all types of arms available in arsenal of divisions will be made. The Commander also added that colleague observers from Georgia would attend the exercise.

Asked if Turkish militaries will be present in Armavir ground, Gen. Harutyunyan said no. "Our observers were not invited to the late Kis-95 (Winter-95) exercise in Turkey", he explained.

Azerbaijan

'Contradictory Responses' by U.S., Turkey

NC2303131795 Ankara TURKISH DAILY NEWS in English 20 Mar 95 pp 1, A8

[FBIS Transcribed Excerpt] Baku—The measures taken by Baku to stop the coup attempt raised contradictory

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responses in Washington and Ankara, highlighting once more the differences of the two governments' outlook toward the Aliyev government.

Azerbaijan barred the republic's main opposition newspaper from publishing on Saturday [18 March] and detained an opposition leader briefly, but calm returned after government leaders said they had put down an attempted coup.

The capital Baku was quiet and transport was running as usual one day after government troops crushed a rebellion by elite OPON [Special Purpose Police Detachment] police forces following five days of unrest in the turbulent Transcaucasian country.

But Baku's methods in restoring the calm have been met with concern in Washington. U.S. Ambassador Richard Kauzlarich met Aliyev on Saturday and expressed Washington's concern over the events in the former Soviet republic, the local news agency TURAN reported.

"After what happened in Baku on March 17, the United States' relations with Azerbaijan will not be the same as they were," TURAN quoted Kauzlarich as saying.

"It's worrying that Aliyev accused the opposition parties of involvement in the rebellion," said a Western diplomat based in Baku, who asked for anonymity. "What does this mean for democracy and Azerbaijan?"

But Turkish support to Aliyev was demonstrated at the highest level by a letter from Prime Minister Tansu Ciller to the Azeri president. In her message to Aliyev, Ciller expressed sorrow over the bloodshed in Baku, but carefully placed the responsibility of the bloodshed on "factors that want to destroy the legitimate government of Azerbaijan."

She expressed hope that the government of Azerbaijan, in union with its people, would work toward "treating the wounds caused by the coup attempt."

"I reaffirm, once more, Turkey's support of Azerbaijan's legitimate government and its democratization efforts," Ciller said in her message.

Baku Confident

"The present government will continue its duties as long as the public support continues," Azeri Foreign Minister Hasan Hasanov told journalists at Istanbul on Sunday.

Hasanov, on his way to Strasbourg to attend a conference, said that peace and stability were restored in his country. "The government is in control," he said.

The Health Ministry said 36 people, including four women and two children, had been killed during gun battles. Other reports suggested the death toll could be much higher.

Baku was thick with police and army checkpoints Saturday and a curfew is in place from midnight to 5 a.m.

At the height of the fight Friday to suppress the rebellion, some 2,000 government troops stormed the barracks where some 600 mutinous police had refused Aliyev's demand to disarm and surrender.

"We are in shock, we will know in the next three or four days what the fighting means, but we expect repression," said Vagit Zadzhelbey [name as received], leader of the opposition Freedom Party. Azeri newspapers appeared on Saturday with blank spaces where articles about the fighting had been censored.

The AZADLIG newspaper, mouthpiece of the Popular Front opposition movement, was forbidden from publishing altogether, employees said. It was not immediately clear how long the newspaper would be closed under what the employees said was a special order from President Geydar Aliyev's security service.

Gyundus Tayerli, editor of AZADLIG, displayed what was meant to be Saturday's edition, full of holes cut by censors' scissors. "The political censor passed the edition, but the military censor didn't like the article we wrote on yesterday's event, so we didn't go to print," he said.

As the government has a state monopoly on newspaper printing, independent newspapers cannot even "publish and be damned," Tayerli said.

Police also raided the headquarters of the opposition Musavat Party and detained its leader, Isa Gambarov, for several hours. They released him with a warning not to speak to the press, Musavat officials said. [passage omitted]

Popular Front, Labor Party Blamed for Coup D'etat

NC2303154095 Baku TURAN in English 1848 GMT 22 Mar 95

[FBIS Transcribed Text] Baku (March 22) TURAN—A next session of the Milli Mejlis is taking place today, there is one issue on the agenda "Prevention the attempt of coup d'etat." The Head of the commission for State Construction Aslan Abbasov addressed on the point. He characterized the events in Kazakh and Akstafa on March 13-14 as "continuation of the events which took place on 14 October 1994."

According to him, part of OPON (Special Police Division) has left Baku for Kazakh and was waiting there for the beginning of antigovernmental actions. Abbasov noted that " a coup in Baku had been scheduled for March 20-25." The actions of OPON in Kazakh and Akstafa were suppressed, 3 men were killed and about 200 members of OPON were arrested.

"Rovshan Javadov set up there four attack groups, which had to accomplish a coup d'etat in Baku , one of those groups attacked the Regional Interior Department in Nizami district of Baku on March 15," said Abbasov. Rovshan Javadov's brother Mahir also participated in

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those events. A great number of ammunition had been found and confiscated in his flat, said Abbasov.

"OPON began its actions at 3 o'clock at night on March 17, when the groups of gunmen tried to break the encirclement. They began shelling and killed three soldiers. The governmental troops opened fire at 4 o'clock in the morning and made OPON return the territory of base. In the morning OPON rose a white flag, the officer who went to negotiate with them was killed. At 11 a.m. a white flag was risen, Rovshan Javadov tried to break the encirclement but was wounded in his leg. His bodyguards took him into the ambulance and delivered him to the hospital, but on the way to hospital he died from hemorrhage," said Abbasov. He also told that the Baku's Prosecutors office is conducting an investigation on the case. Then acting Prosecutor Eldar Hasanov addressed and said that an institution was brought against the employees of OPON, according to clauses 57 (point 1), 70 and 220 (point 1.) He told that "according to the case on the events which took place on 17 March 226 men had been arrested, 86 of them are the members of OPON." According to the same source a great part of OPON has left the republic.

Namik Abasov, Minister of National Security said that "in the preparation and implementation of the coup foreign intelligence agencies also took part." Besides, OPON had created a commercial structures, which financed the coup. Abbasov told that "during Rovshan Javadov's trips abroad he had met with heads of those agencies. On the eve he met with Adil Hajiyev, a representative of Ayaz Mutalibov." Abbasov told that the commander of OPON in Kazakh Elchin Amirasl-anov has received 1 million dollars for the implementation of coup in Kazakh and Akstafa. According to Abbasov "Azerbaijan's Popular Front and Labour Party were guilty in such a situation and there representatives regularly met with Rovshan Javadov. During meetings with Rovshan Javadov they said that Ayaz Mutalibov and Abulfaz Elchibey could become a president whereas Rovshan Javadov's coming to power would not be legitimate," said Namik Abbasov.

Acting Minister of National Security told that "on 15 March arms belonging to some political parties was delivered to the base of OPON in the district 8-th kilometre." On 16 March OPON had to join with forces of Alikram Gummatov, then catch a train in one of the metro stations and then to forward demands on the resignation of the President and Speaker of the parliament.

The same source said that 33 commercial structures, 76 rich men and 46 high ranking officials are being checked now on suspicion of purchasing arms for OPON.

Namik Abbasov said that "part of the people supporting a coup are now in Russia, Rovshan Javadov had close contacts with some Russian high-ranking officials and it is time to appeal to Russian Duma."

The deputies of opposition refuted many statements of Namik Abbasov and said they "were false." Abbasov refused to name concrete facts proving participation of any party in the actions of OPON and said that "he has no right to spread these facts."

Parliament Condemns Rebel Actions

LD2303165495 Moscow ITAR-TASS in English 1357 GMT 23 Mar 95

[By ITAR-TASS correspondents Sevindzh Abdullayev and Viktor Shulman]

[FBIS Transcribed Text] Baku March 23 TASS—Azerbaijan's capital is recovering from last week's attempted coup d'etat. Baku's enterprises, shops and transport are functioning as usual.

However, a number of facilities and the gates of the city are guarded by local troops.

At Wednesday's meeting, the Azerbaijani parliament adopted a resolution condemning the actions of the rebels.

On Wednesday, Namik Abbasov and Eldar Gasanov were appointed minister of national security and prosecutor-general respectively. The posts have been vacant since the previous coup d'etat attempted last October.

Parliament Adopts Resolution on 'Coup' Attempt

NC2303211995 Baku TURAN in English 1117 GMT 23 Mar 95

[FBIS Transcribed Text] Baku (March 23) TURAN—The preliminary variant of the resolution concerning the results of the hearing on the events on March 17, 1995 in Baku was adopted during yesterday's session of the Milli Mejlis.

Under the preliminary document, the Milli Mejlis sees these activities as scheduled continuation of the October events of 1994 aimed at the coup preparation. Javadov brothers, Ayaz Mutalibov, Vagif Guseynov and Rahim Gaziyev are called the organizers of the coup. The Milli Mejlis also mentioned the indirect and direct participation of the Popular Front, Boz Gurd [Grey Wolf] Party and other organizations and their leaders in the coup attempt.

The Milli Mejlis demanded that the Ministries of Justice and press should take measures towards the organizations and mass media, the activity of which contradicts to the Constitution.

The Prosecutor's Office of the republic is instructed to find and bring to justice the organizers, participants of the supporters of the coup attempts on October 2-3, 1994 and March 17, 1995.

The Milli Mejlis intends to apply to the Russian Parliament with the request to extradite the citizens of the Republic of Azerbaijan, which attempted the commit the coup and fled to Russia.

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Then the Milli Mejlis says that the PFA [People's Front of Azerbaijan] is to blame for the all the troubles of the country and this organization disappointed the hopes of the nation and President Aliyev came and saved Azerbaijan from the fratricidal war.

The document also accuses Suret Guseynov.

Georgia

Shevardnadze on Ties With Russia

LD2403075695 Tbilisi Radio Tbilisi Network in Georgian 1757 GMT 23 Mar 95

[Interview with State Council Chairman Eduard Shevardnadze by unidentified correspondent on 23 March; place not given; monitored in progress—live or recorded]

[FBIS Translated Excerpt] [Shevardnadze]... Now you will probably ask me why I have not presented the agreement to parliament and why it has not been discussed beforehand. I think that many people in parliament do not comprehend the notion of separating functions. If we had discussed the agreement beforehand, then functions would have been merged, as opposed to separated. To tell you the truth, I did discuss this issue with Parliament Speaker Vakhtang Goguadze. I wanted to call to my office heads of factions and the leaders of the opposition parties who do not agree with us on the CIS and Russian issues. Later on, however, I arrived at the conclusion that it would not be good enough, as parliament would need time for discussion. We have initialed the agreement. Now Russia has time to start acting and implementing this agreement. Parliament would have to have time to make sure of the sincerity of the country which is representing the other side of the agreement, and which has duties to perform for Georgia. I did not want to impose anything here. The executive power, the defense minister, the commander in chief, and the head of state undertake responsibility, but the final say—it may happen after a month, two months, or even three months, depending on how events develop—belongs to parliament. Therefore, I think that we did not commit a sin when dealing with the agreement the way we did, and that we were working within our possibilities.

As for the statute of the agreement—which is of major importance—it corresponds to the interests of both Russia and Georgia, and therefore, interests are poised here. The following issues were outlined in the agreement; namely, a stage-by-stage development of military cooperation between the two countries. I would like to put it like this: If anyone thinks that Georgia can create its own armed forces, I mean army, internal troops, and even police—if we can call them partly armed forces—well, it is out of the question. Only by cooperating with Russia and taking its interests into consideration can we create our own army.

[Correspondent] Has any other country offered you this before?

[Shevardnadze] Not a single country has offered help. I have discussed this issue in every capital I visited, but I did not get so much as a single hole-ridden automatic gun; we failed to get even that. It was out of the question and then I stopped asking altogether. Therefore, if Georgia wants to be an independent state, it has to have its own armed forces. [passage omitted] The next clause of the agreement says that when signing the present agreement we abide by the necessity of observing the principle of the sovereignty of both countries, as well as their territorial integrity. Russia is undertaking a definite responsibility for Georgia's territorial inetegrity and not only today. [passage omitted]

One more thing: I knew that hot debates would follow the signing of this document. This act could not possibly be greeted with exaltation from the people; it is just not that kind of act. The presence of foreign troops on one's own territory would not be welcome in any country. However, Europe categorically opposed the withdrawal of the U.S. troops and retained the U.S. Armed Forces on the Continent despite the break-up of the Soviet Union. I repeat that this is a temporary affair. No country welcomes this act. I was prepared for this, but on the other hand, we must comprehend why it is necessary today and why it will be necessary tomorrow. I could not see another solution earlier and I cannot see a solution today either for creating guarantees, setting up our own armed forces, or owning relevant equipment and arms; or having guarantees for our country's independence and territorial integrity.

I would like to recall that we have made a preface to the agreement which is called an extraordinary stance and is an addition to the agreement. The extraordinary stance means the following: the Georgian side considers it possible that the head of state should sign this document and ratify it, provided Georgia's jurisdiction is restored on the whole of its territory and provided the Russian Federation take responsibility for building the Georgian Armed Forces. It means the Georgian head of state will sign the agreement if Georgia's jurisdiction is restored in Abkhazia, in South Ossetia, and if Russia formulates its specific responsibilities. [passage omitted]

Another addition to the agreement is this: we consider it a necessary condition under the agreement on armed forces that all armaments and equipment which belong neither to Georgia nor to Russia must be destroyed. [passage omitted]

As I have told you, parliament must have the final say.

[Correspondent] Mr. Shevardnadze, the current Russian leadership has, to put it mildly, misled the Georgian leadership on several occasions. What are the guarantees that it will not happen again? I would like to stress here the factor of Pavel Grachev who is an odious figure

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among the Russian elite and who is insulted by journalists daily. He also is the man who on several occasions took wrong steps in connection with us. Are we guaranteed that the Russian leadership will implement the present agreement the way you demand?

[Shevardnadze] I think that the implementation of the agreement must begin before the heads of state—the Russian president and the Georgian head of state—sign the agreement. If Georgia's jurisdiction is not restored on the whole of its territory, then, as I have told you, we shall not sign the agreement. Georgia will not undertake any responsibilities and the Russian Armed Forces will have to leave Georgia. We must expect a realistic action from Russia. There are two points in the agreement which are stressed specifically. They are: Georgia's jurisdiction must be restored in Georgia, the refugees must return home; Abkhazia's status must be defined within the framework of the Georgian state; and Russia's responsibilities in supplying Georgia with equipment and arms must be defined. These are the key conditions and at the same time this is a guarantee for Russia, as it is interested in remaining in Georgia. Here we have poised interests—we are interested in restoring our territorial integrity with help from Russia, in creating our own army; and Russia is interested in remaining in Georgia, which is in its own state and national interests. Such a coincidence allows us to hope that this agreement will be implemented, although there have been instances of breaches after superpowers have signed treaties.

[Correspondent] Would this agreement ever be put on the agenda if Georgia had its jurisdiction?

[Shevardnadze] Probably not. I would still like to say that this occurrence—the presence of a foreign country's troops on your own territory—is not an exciting occurrence, therefore what we have here is a necessity, a kind of compulsion. We are forced to take this step because we are thinking about the future. [passage omitted]

Now, why for 25 years? First, because Russia thinks that if it is going to be with us, it will have to build something. Russia cannot exist in the current conditions in Georgia and says that it will not be able to endure these conditions for any length of time, which means that in some three or four years it will have to withdraw from Georgia. This, to tell you the truth, is not in our interests, considering the complexities in our region. If Russia is to stay here, then it will take Russia five, seven, or eight years to build a building in Georgia's current conditions. Second, Russia says that if we trust it, then we must not be afraid of the length of those 25 years. I have thought a great deal about it. We must not be afraid of it. If events develop normally, the process of integration in Europe and in the world will develop in such a way that Russia will become the most active supporter of European integration, of integration with the European structures and maybe with NATO also, or NATO and the Russian Armed Forces. I cannot rule this out. In this case, we shall not need 25 years, as the natural conditions will be different. But why not hold on to this guarantee? Who knows how events will develop? I would like to see into the future and make sure that what happened before will never happen again. Does this not mean that we shall be protected from across the Russian border? [passage omitted]

[Correspondent] Some countries pay a certain sum for having their military bases on the territory of another country. I understand that Russia is helping us for different reasons. Has the issue of payment for military bases ever resurfaced? How many bases is Russia going to have?

[Shevardnadze] Four bases. The ones that exist now. I shall reiterate. These are: the Gudauta base [in Abkhazia]. You know what it means. There is a division in Batumi [in Ajara], in Akhalkalaki [southern Georgia], and in Vaziani. These are the four bases. As for the issue of payment, of course, it has resurfaced. When we first started to discuss these issues during President Yeltsin's visit here, we agreed that Georgia would get some kind of compensation. It can be payment in grain, money, tanks—which we shall get gradually; it has been agreed upon; or combat equipment. [passage omitted]

[Correspondent] In the power and engineering field, will the agreement in any way influence the route of the oil pipeline, I mean the one from Azerbaijan? Will it run across Georgia or Armenia?

[Shevardnadze] If the oil pipeline should run across the Caucasus, and I think that it will have to go all the way down to Turkey—it just cannot be missed—then it will have to go either through Georgia or Armenia. Armenia is in a similar position to Georgia. The Armenians decided the issue of military bases long ago. [passage omitted]

Now, one of the contenders to allow the oil pipeline on its territory is Russia. I think that we have had detailed discussions over this issue; however, we were not discussing this problem as opponents but as countries mutually interested in strategic cooperation.

[Correspondent] Mr. Shevardnadze, how will the West view the step you have taken in connection with Russia?

[Shevardnadze] The stance of the West, if the division of quotas goes on the way it has been planned—there still is a lot of work to be done—then the stance of the West may be somewhat negative. As for the issue of military bases, we shall not be applauded, but the West was the first to recommend us to cooperate with Russia, saying we would not be able to exist without Russia, that it would be difficult without Russia. [passage omitted]

[Correspondent] You have met Western political figures such as Messrs. Baker, Shultz, and so on. Suddenly, the man who has such a wide circle of acquaintances and has met high-ranking political figures goes to meet Pavel Grachev and then see him off at the airport. This fact

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irritated our society and that is why I am asking you this question. What caused your actions?

[Shevardnadze] Please do not take offense, but this is a slightly simplistic attitude. The thing is that, first, Grachev is the defense minister and the personal envoy of the Russian president. Yeltsin personally assigned him to come here. We are going to cooperate. Grachev may remain minister for 10 years, maybe more, maybe less. As long as he is minister, he will remain the person appointed by President Yeltsin and by meeting him and seeing him off at the airport I have expressed my attitude toward President Yeltsin and Russia. That is one thing. [passage omitted]

[Correspondent] Let us go back a little. The role of peacekeeping forces in resolving the Abkhaz conflict has become pressing, all the more after signing this agreement. You have declared many times before that these troops have failed to carry out their duties. Will the issue of extending their mandate be put on the agenda?

[Shevardnadze] It is a political decision which is important here. The CIS ...[pauses] President Yeltsin, in particular, adopted a political decision that it is time a mass introduction of troops started and security be guaranteed. It was his order to put the troops in the conflict zone. They must have a mandate for these occasions, as well as for alternative situations—a policy of neutrality whereby they do not interfere in anyone's business. The current situation is an example of that—avoiding clashes, but it cannot go on endlessly. I have said already that much time has been lost and if it goes on like this, then there is no point in their being here. By the way, one of the arguments which he must use during his meeting with [Abkhaz separatist leader Vladislav] Ardzinba—the meeting is to take place in three or four days—is that he will order a full withdrawal of the peacekeeping troops and the border between Russia and Georgia will be firmly sealed off.

[Correspondent] Did you discuss this issue with Grachev?

[Shevardnadze] Of course.

[Correspondent] I know you cannot talk about it as it is a secret, but some specific measures must have been planned, and they will change the situation.

[Shevardnadze] I think that many things will have changed by the expiry date of the mandate.

[Correspondent] You have often said that this year will be the year of restoring Georgia's territorial integrity. What were your statements based on? People have more or less lost hope in that and still you kept repeating it.

[Shevardnadze] I used to say that in general Georgia's territorial integrity would have to be resolved. One factor is the signing of this agreement with Russia; with help from Russia we will be able to do what we have failed to do otherwise. I would like to tell you at once, for two and a half years we have visited every organization, there have been 10 resolutions by the UN Security Council, 120 beautifully tanned military observers have been sent, but all this has been futile. The only force that can help us and guarantee restoration of Georgia's territorial integrity is Russia. If Russia decides that this is not in its interests, then it will not happen, but that is another issue. But I am sure that now the Russian leadership itself has experienced what separatism is about, I hope that it has no other way but to cooperate actively with us so that Georgia may become one country, united and friendly to Russia, and, as they say, its strategic ally. If it happens this way—and it must happen this way—then this year will be decisive indeed.

[Correspondent] If we view Russia as a neighbor who has misled you several times, have you, as a human being, managed to entice it into doing what you had planned despite definite failures in the past?

[Shevardnadze] I think that we have achieved a great deal. Anyway, the basis has been created for this. If you remember, when I returned to Tbilisi [after overthrow of former President Gamsakhurdia] I said that we needed special relations with Russia. Despite failures and painful experiences, we have managed to follow this path. [passage omitted]

[Correspondent] There was an especially hostile attitude toward this agreement at today's parliament session, although as you have mentioned, there were no objective reasons for that. Your general supporters did not seem to be acquainted with the agreement and there was a feeling that Eduard Shevardnadze and parliament were totally disconnected. I would like to ask you if you will chair the parliament session tomorrow and if you will discuss this issue with parliament.

[Shevardnadze] It will be hard for me to chair the parliament session tomorrow. I have done what was within my rights and now the main say is with parliament; it will either ratify the agreement or not. [passage omitted]

We shall discuss these issues at the referendum, and therefore, I call on everyone who is listening to us today to get ready for these serious discussions—whether they want to be together with Russia, confront it, or work out a mutual consensus.

[Correspondent] Thank you.

[Shevardnadze] Thank you.

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Opposition Protests Russian Military Base Agreement

LD2303154595 Tbilisi IPRINDA in Russian 1407 GMT 23 Mar 95

[FBIS Translated Text] Tbilisi (IPRINDA)—The parliament session on 23 March started with discussions over handing four military bases to Russia for the period of 25 years. Opposition parties unilaterally protested against the initialling of this document saying that it was an adventure damaging Georgia's independence. They demanded to call for a vote of confidence in all power structures for a parliament session on 24 March. The opposition considers the ratification of the above agreement will mean a refusal to the interests of Turkey and western countries in Georgia. Neither will the opposition consent to the occupants' status of the Russian troops in Georgia to be legalized for 25 years.

Foreign Minister on Events in Caucasus

LD2303144695 Tbilisi SAKINFORM in Russian 0834 GMT 23 Mar 95

[FBIS Translated Text] [no dateline as received] A conference dedicated to stability in Europe has ended in Paris. Georgian Foreign Minister Aleksandre Chikvaidze in his address to the conference stressed in particular that the members the European Community had to make joint efforts in order to achieve stability on the continent, and added that that the events in the Caucasus posed danger to stability in Europe.

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Estonia

Luik on Assistance From European Stability Pact

LD2303162095 Tallinn Radio Tallinn Network in Estonian 1800 GMT 22 Mar 95

[FBIS Translated Excerpt] Minister of Foreign Affairs Juri Luik reported today on his recent visit to Paris where, together with foreign ministers of other European countries, he signed the Pact on Stability in Europe—an initiative started by Edouard Balladur, French Government leader. Here is Priit Ennet with details.

[Ennet] The idea behind the Pact on Stability in Europe is to assist nine East European countries who are seen as future Europen Union [EU] members in their search for solutions to their minorities' and border issues. Estonia has been included among those nine. [passage omitted] Within the pact's auxiliary program, the EU will be financing through its PHARE [Poland-Hungary—Actions for Economic Reconversion] program several undertakings expected to ensure stability. Juri Luik now explains what will be done with the money in Estonia.

[Begin Luik recording] Firstly, it is intended to set up a strategic planning center at the Ministry of Culture and Education, coordinating non-Estonians' language studies and integration. In the next two years it will draft this policy and be in charge of it. Secondly, the colleges of Narva and Virumaa will be running long, 5-year language teaching projects financed by the state. A special project dealing with the methodology of language teaching will operate in Narva and in Virumaa district as a whole. It is called "language teaching and improving efficacy of language centers"—this is the third project. Next, there is a separate integration project in conjunction with the Council of Europe, under joint programs between EU and Estonia, as well as Latvia. There will be funds also for organizations outside government, the Human Rights Institute, for example, and some other organizations. It is a program in support of democratic development, not directly linked to the program on non-Estonians. Then there is a separate program envisaging improvements in cooperation work on the borders. This is a project called "more effective passport control," with up-to-date equipment for the border guards, precisely at border crossing points. [end recording]

[Ennet] As the minister of foreign affairs stated, the process of talks preceding the concluding of the Pact on Stability in Europe were useful for Estonia in a number of ways.

[Begin Luik recording] [passage omitted] The final text, for example, includes not the term "existing borders," but respect for "internationally recognized borders," which in fact is the position always supported by Estonia and used by Estonia to interpret the term of "existing borders" in the Organization for Security and Cooperation in Europe final document. There was also much talk about the minorities. As you know, Estonia's legal position sees minorities as individuals who are citizens of Estonia. This position, too, met with acceptance in the pact. [end recording]

'Text' of Luik Address to Paris Conference

WS2403111595 Tallinn Ministry of Foreign Affairs Press Release in English 1630 GMT 23 Mar 95

["Text" of speech by Foreign Affairs Minister Juri Luik at the "Final Conference for a Pact on Stability in Europe" in Paris on 20 March]

[FBIS Transcribed Text] Mr. Chairman, Excellencies, Ladies and Gentlemen,

It is a pleasure to be in Paris again one year after the European Union launched this French initiative toward concluding a Pact on Stability in Europe. I am glad to say that Estonia was an enthusiastic supporter of the Pact from the start. Then, as now, we regarded the Pact as another significant mechanism for enhancing stability in the region. Perhaps more importantly, the Pact is, for Estonia, an exercise through which we can demonstrate our willingness and capability to work together to resolve those legacies from the past that are related to European integration but which, until now, have remained open. I believe those of us gathered here today, and in particular our French colleagues, share a special sense of accomplishment that we have been able to see the process through to the conclusion of a Pact.

The two issue-areas we have focused on in negotiating the Pact are undoubtedly the two key factors of increased stability on the continent. Regarding border questions, the Stability Pact has already helped create more favourable conditions for the resolution of our border issue with the Russian Federation, and we very much appreciate the European Union's eagerness to help us resolve this dispute. Bilateral talks are currently underway, and we are hopeful that a new border treaty, based on respect for internationally recognized frontiers, will soon be ready for future inclusion into the list of bilateral agreements attached to the Pact.

During this last year, however, the process of negotiating Pact has also taught us some valuable lessons with regard to the power of multilateralism in solving long-standing bilateral problems. A chain is only as strong as its weakest link, which is to say that this Pact can be an effective tool toward helping resolve our border issue only if both parties have the political will to resolve outstanding issues. We remain hopeful that the conclusion of the Pact will give new impetus to our bilateral talks on borders.

The second issue-area is of equal importance in enhancing European stability. The integration of populations of foreign origin is one of my Government's highest priorities. Thus, we were gratified that the European Union, through the Stability Pact, demonstrated its

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willingness to help us with concrete integration programs, several of which have already found PHARE [Poland and Hungary Action for Restructuring the Economy] funding.

As you know, two weeks ago my country held its second post-Communist parliamentary elections since reinstating independence three-and-one-half years ago. The fact that political power changed hands according to the rule of law is a completely normal development, a non-event, if you will, which itself manifests the political stability in Estonia.

The results, however, were also graphic reminders of how far my country has come. No extremist parties were voted into parliament, neither those from the right nor those from Communist traditions. Instead, parties representing center and right-of-center thinking received the largest number of votes, indicating that Estonia's voters chose overwhelmingly to stay the course of free-market reforms. Most importantly, our Russian minority turned out strongly for the vote, so strongly that their representatives were among just six political lists popular enough to surpass the 5 percent aggregate vote needed to get into parliament. The fact that our Russian minority showed such interest in the elections is a welcome sign that integration is working, and is working well.

We are not the only ones to notice this positive tendency. Last week, during a brief visit to my country, United States Vice President Al Gore set Estonia's integration policies up as an example for others. Before a 6,000-strong crowd in our medieval Town Hall Square, Mr. Gore said, and I quote, "History teaches us that national independence can in some places stimulate national chauvinism. Yet Estonia's fair implementation of its citizenship law and political participation of Estonian citizens of Russian origin show that Estonia is becoming a state rooted in law, tolerance and based on modern civic values. In this demonstration of tolerance, Estonia is a model for the rest of the world" (end of quote).

Clearly, our policy of integration is on the right track, and furthermore is an important factor for stability in the region. We view the Pact as an open-ended exercise which can be buttressed by new agreements, ideas and efforts. These new efforts might be undertaken and mediated by the OSCE or the European Union. In this regard, we are gratified that the work initiated in the Pact will continue under the auspices of the OSCE. We call on that organisation to come up with new modus operandi for implementing the Pact, and we wish the OSCE all the best in further advancing our common agenda.

Allow me to close by thanking Belgium, Greece, Germany and France for their expert leadership during the evolution of the Pact, without which the process would not have run as smoothly as it has.

Thank you, Mr. Chairman.

Statement on Expulsion of Zhirinovskiy Supporter

WS2403111495 Tallinn Ministry of Foreign Affairs Press Release in English 1525 GMT 23 Mar 95

[Statement issued by the Estonian Ministry of Foreign Affairs in Tallinn on 23 March: "Estonia Orders Anti-Semitic Zhirinovskiy Supporter To Leave the Country"]

[FBIS Transcribed Text] Tallinn—On 22 March 1995, the Estonian State Citizenship and Migration Board ordered Mr. Pyotr Rozhok, a Russian citizen who is well-known in Estonia as an anti-Semite and supporter of Russia's Liberal Democratic Party leader Vladimir Zhirinovskiy, to leave the country within 24 hours.

The expulsion order is based on two documents, the Law on Aliens and the Law on Violation of Administrative Law. First, paragraph 14.2.2. of the Law on Aliens foresees nullification of residence and work permits for aliens who do not abide by Estonian laws or the Constitution, whereas paragraphs 16.1. and 16.2. of the same law state that the Government may authorize the relevant state agency to order expulsion of any alien whose visa or residence permit has expired. In addition, paragraph 171.1. of the Law on Violation of Administrative Law states that the Government may apply the sanctions outlined in paragraph 16.1-2. of the Law on Aliens in those cases where the activity of a given alien has resulted in nullification of residence and work permits, as foreseen in paragraph 14.2.2. of the Law on Aliens.

Having surveyed Mr. Rozhok's activities over the past 5 years, the relevant Estonian authorities concluded that Mr. Rozhok is not abiding by Estonian laws and the Constitution, and that he constitutes a threat to Estonia's state security. For this reason, and based on the legal acts noted above, the State Citizenship and Migration Board issued an expulsion order.

Since 1989, Mr. Rozhok has systematically worked against Estonia's progression toward state sovereignty and, after the reinstatement of independence in 1991, against the Estonian Constitution and the territorial integrity of the state, including engaging in blatantly anti-Semitic activities. Mr. Rozhok's more noteworthy actions include the following:

In March 1989, at a Tallinn meeting of the pro-Soviet, anti-reform Russian nationalist "Intermovement," Mr. Rozhok called for the use of violence as a means to political ends.

In May 1990, Mr. Rozhok was one of the leaders of a violent attempt to take over the seat of Government at Toompea Castle in Tallinn.

In the beginning of 1993, Mr. Rozhok began identifying himself to the press as the Baltic representative of Vladimir Zhirinovskiy's Russian Liberal Democratic Party [LDPR], an ultra-nationalist political grouping known for its anti-Semitic views and program of re-establishing the Soviet Union in a larger form, including

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Finland and Alaska. In April 1994 in the LDRP's newspaper PRAVDA ZHIRINOVSKOVA, Mr. Rozhok called on the Russian Federation to apply economic sanctions against Estonia.

In January 1994 at a meeting in Narva, Mr. Rozhok called on participants to refuse recognizing the authority of Estonia's President and Government, explaining that Estonia is part of Russia's ancient territory.

In an interview to SILLAMAESKI VESTNIK in January 1994, Mr. Rozhok called on retired and reserve Soviet military officers to form paramilitary units in order to defend their honour against the Estonian authorities.

The above incident resulted in criminal charges requiring Mr. Rozhok to remain at his place of residence in Tallinn. In September 1994, he was removed in Narva from a Moscow train bound for Tallinn—in violation of the order, he had left Estonia in August 1994. During a subsequent search of his home, a number of anti-Semitic pamphlets and other materials were found.

In the Summer of 1994 during a meeting with Estonian extremist politicians in Tartu, Mr. Rozhok instructed the politicians as to how they should behave when Zhirinovskiy comes to power in Russia. Mr. Rozhok spent most of the meeting outlining to participants Jewish plans to come to power via economic/commercial means, and how this Jewish plan must be foiled.

Mr. Rozhok is an activist in several organizations active in Estonia—such as the Russian Community in Estonia, the Tallinn Union of Russian Citizens and the Estonian Union of Russian Citizens—which regularly make statements directed against Estonia's independence and Constitution.

In February 1995, Mr. Rozhok spoke at a Narva meeting of the Russian Citizens Union, where he called on participants to refuse to register for residence permits, an act which is in violation with Estonian law.

Ultra-nationalist Vladimir Zhirinovskiy demonstrated the strength of his ties with Mr. Rozhok on 22 March, when the Russian Liberal Democratic Party leader protested Estonia's expulsion order, telling reporters that the LDRP would defend its member Rozhok in every way. Zhirinovskiy added that he would ask the Russian Ministry of Foreign Affairs to expel an Estonian diplomat or journalist in retaliation. Today, State Duma deputy Zhirinovskiy sent Estonian President Lennart Meri a telegram on Russian Government letterhead reiterating his protest and threatening "the speedy implementation of decisive measures regarding Estonia and its citizens living on the territory of the Russian Federation."

Upon issuance of the expulsion order on 22 March, Mr. Rozhok has 24 hours, until 00:00 [2200 GMT] on 24 March 1995, to leave Estonia. If he does not do so of his own volition, he will be expelled by force. As does any citizen or permanent resident of Estonia, Mr. Rozhok has the right to contest this decision in court.

Rozhok 'Won't Leave Voluntarily'

WS2403113595 Tallinn BNS in English 1550 GMT 23 Mar 95

[FBIS Transcribed Text] Tallinn, Mar 23, BNS—Pyotr Rozhok, who holds Russian citizenship and represents Vladimir Zhirinovskiy's ultra-nationalist Liberal Democratic Party [LDPR] in Estonia, does not intend to leave the Baltic country voluntarily. On Thursday [23 March] he continued on his job in Tallinn as usual.

The Estonian Citizenship and Migration Department on Wednesday ordered Rozhok to leave the Baltic republic within 24 hours. He has until midnight on Thursday to comply.

"I've never felt myself as a foreigner and I won't leave Estonia voluntarily," Rozhok told BNS.

The Russian Embassy in Tallinn on Wednesday asked Estonian authorities to put off Rozhok's banishment until he has been able to appeal against the ruling.

Rozhok told BNS he's preparing the appeal and will file it soon. He's also considering bringing a suit against the Citizenship and Migration Department for "moral damage."

A Security Police spokesman told BNS that if Rozhok hasn't left Estonia by Thursday midnight the police may deport him forcibly.

Vahi Statement on Formation of New Government

LD2303205295 Tallinn Radio Tallinn Network in Estonian 1800 GMT 23 Mar 95

[Statement by Prime Minister-Designate Tiit Vahi on 23 March—recorded]

[FBIS Translated Excerpt] Dear radio listeners, dear citizens of the Republic of Estonia, ladies and gentlemen! Today Lennart Meri, the president of the Republic of Estonia, charged me with the formation of the government. [passage omitted]

I would like to see a government emerging in Estonia that would create political stability in the state apparatus as well as in every rural district, village, and town. I would like talks for the formation of such a government to be open and for the press to report on them to the population.

During the course of the two weeks following the elections I have had meetings with a number of politicians and analyzed the election results. We have reached the conclusion that the elections showed very clearly that the trust in the present government coalition had disappeared and support was given to the parties that were so far in opposition in the Riigikogu. [passage omitted]

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I am pleased to tell you today about a written reply from the Center Party Chairman Edgar Savisaar, which says that the Center Party would find a coalition with us possible in principle because it would meet the interests of our voters and would benefit the development of Estonian society. We hold the same position, and today I would like to make a public and official proposal to Mr. Savisaar, the board of the Center Party, its parliamentary group, all Center Party members, and the voters who voted for the Center Party, to conclude a government coalition so as to govern the Republic of Estonia during the four years entrusted to us by the electorate. [passage omitted]

This coalition will have 57 [out of 101] supportive votes in the Riigikogu; it will be based on the voting preferences of a quarter of a million voters in the Republic of Estonia, and that will be over a half of the votes given to the parties in the Riigikogu.

There is a clear position stated in the programs of both electoral pacts, toward swift continuation of market economy reforms, with more support than hitherto to our national culture, education, and health care, care for our elderly and young families, a clear course toward encouragement to our national capital and agriculture, toward support to channelling investment away from major towns so that all of Estonia would develop in a more unified way and upward, with the shocking gap between the very rich and those who cannot cope with their daily lives shortening.

The Estonian foreign political course in such a coalition would in principle remain unchanged: It stands for integration into Europe, cooperation with both the Baltic and Nordic countries, and good-neighborly and mutually beneficial relations with Russia and other CIS countries. [passage omitted]

We wish to have an opportunity to prove in public that our promises are covered by actual calculations. Naturally, not one of them would come true overnight. [passage omitted]

I would like a new page to be turned in Estonian politics, a page of honesty and openness. Even if we fail in our endeavors, this approach to politics should in any case take root in Estonia because alienation between what the electorate want and what the politicians do is about to reach the limit that threatens the foundations of Estonian statehood and democracy. [passage omitted]

Latvia

Birkavs Views Results of EU Conference

WS2303131195 Tallinn BNS in English 0900 GMT 23 Mar 95

[FBIS Transcribed Text] Riga, Mar 22, BNS—Latvia was mentioned as one of the most active countries in the European Union's Stability Pact Conclusion Conference, Foreign Minister Valdis Birkavs said Wednesday [22 March] at a press conference after returning from Paris.

As reported, Latvia received financial assistance in the framework of the pact for the recently started naturalization process. Latvia has included 14 agreements in the pact, including the Latvian-Russian accord on army withdrawal, which was signed in April of 1994. The pact provides for supervision over the implementation of the agreement, said Birkavs.

He noted that assistance will be provided to Latvia also after passing the Stability Pact to the Organization for Security and Cooperation in Europe.

In the framework of the conference, Birkavs met with the U.S. deputy state secretary and discussed with him matters related to NATO expansion, the Baltic Peacekeeping Battalion and possible U.S. assistance in formation of a export control system.

Birkavs stressed the importance of meeting with a delegation of the Italian Foreign Ministry during which the mainstreams of cooperation with Mediterranean countries, formation of an Italian-Latvian trade chamber and cooperation in tourism were discussed.

Latvian ambassador will leave for Italy on Apr. 1 and make preparations for the opening of Latvian Embassy in Italy.

Birkavs said he met with the Irish foreign minister and discussed further cooperation with him. He noted that Ireland will be the presiding country in EU in the second half of 1996 and it is important to get support from those states which will be presiding in this institution.

Birkavs also met with Slovenian foreign minister and discussed a possibility of signing several cooperation agreements with him, including the free trade agreement. Slovenia fully supports introduction of a free trade regime from the Baltics to the Adriatic Sea.

Birkavs agreed with Slovakian foreign minister on signing of economic cooperation agreements. In the first place, these could be accords on investment protection and avoidance of double taxation.

Taking into account that Uzbek president will visit Latvia soon, Birkavs met with this country's foreign minister. Several bilateral cooperation agreements are being currently drafted.

Birkavs told BNS that he met unofficially also with Russian Foreign Minister Andrey Kozyrev who confirmed that he will pay official visit to Latvia soon, although a certain date of the visit has not been set as yet.

Premier Gailis Asks Defense Minister To Resign

LD2303185695 Riga Radio Riga Network in Latvian 1800 GMT 23 Mar 95

[FBIS Translated Text] [Announcer] Prime Minister Maris Gailis today asked Defense Minister Janis Arveds

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Trapans to resign from his post. The Government Press Service reports that this decision was made with regard to the fact that the defense minister has not fulfilled several tasks of national importance during his period in office, namely, he has not made a practical improvement in the situation with unregulated relations in military service [bullying]; with all the funds granted from the State budget and received in the form of foreign aid, Latvia does not have one single properly trained and adequately equipped combat company. Many other things have not been done either. The duties of defense minister will, until the appointment of a new minister, be carried out by Prime Minister Maris Gailis. Latvian Radio asked for a comment on this event from Rolands Tjarve, the prime minister's press secretary:

[Begin Tjarve recording] This step, when Prime Minister Maris Gailis asked Mr. Trapans to step down from the post of defense minister, serves notice that this government is full of energy and initiative to put things in order. I think that, after all, Mr. Gailis gave consideration to everything before making this decision, but unfortunately, this person is not managing his duties, and he is obliged to seek another. Until that person is found, for the time being the duties of defense minister will be carried out by Mr. Gailis, but over the next few weeks we hope that the public, and the Saeima, will get a new candidate for the post of defense minister. [end recording]

[Announcer] For his part, the now Former Defense Minister Janis Arveds Trapans commented on what has happened in this way:

[Begin Trapans recording] (?Our talk was free, without notes taken.) He [Gailis] said there were some things at the ministry that were not arranged as he wanted. He did not mention anything specifically. The only specific thing he mentioned was that he was not sent a report in time about the mistakes at Ogre. Of course, the prime minister does not have to explain his views—I do not have the same view as he does. But it is really a fact that, from today, I am not the defense minister of the Republic of Latvia. [end recording]

Lithuania

Foreign Minister on Pact on Stability in Europe

LD2303210495 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 23 Mar 95

[FBIS Translated Excerpt] With the adoption of the Pact on Stability in Europe, European stability has been strengthened, says Lithuanian Foreign Minister Povilas Gylys. [passage omitted]

Minister Povilas Gylys, who headed the Lithuanian delegation at the final conference of the Pact, expressed his satisfaction with the fact that the Baltic states were not the key problem at this conference. This signifies that many problems have been solved in our countries already, Gylys said at a news conference today.

According to the minister, Latvia and Estonia are solving successfully the currently existing problems concerning national minorities, while Lithuania contributed significantly to the Pact of Stability in Europe by signing treaties on good-neighborhood and state borders with Poland and Belarus. [passage omitted]

Joint Oil Venture Authorized With Denmark

WS2403114695 Tallinn BNS in English 1800 GMT 23 Mar 95

[FBIS Transcribed Text] Vilnius, Mar 23, BNS—The Lithuanian government on Wednesday [22 March] authorized the creation of a Lithuanian-Danish company for oil prospecting and production in western Lithuania.

Denmark's state-run oil and gas company Dansk Olie and Naturgas A/S (DONG) and three private Danish companies will create a joint venture with Lithuania's Gargzdai state oil and geology enterprise. The Danes intend to invest around 85 million U.S. dollars and expect oil production in Lithuania to increase from the present 300 tons a day to around 1,300 tons after several years.

A contract with the Danish companies may be signed already next week, Lithuanian officials said.

However, DONG representatives said the company reserves the right to withdraw from the Lithuania after 18 months if it will appear that local conditions and the output of oil wells are unsatisfactory. The Danish company wants, for example, a 29 percent reduction of the Lithuanian land depths tax and better conditions for investments.

DONG came to Lithuania as the successful bidder selected in a contest for the right to bring Lithuanian oil deposits into production and to create a joint venture with Gargzdai.

The Lithuanian enterprise earlier established a joint venture with the Swedish company Svenska Petroleum, which has already invested around 1 million U.S. dollars in Lithuania.

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